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THE FRANCO-ITALIAN CUSTOMS UNION¹

ANNEX I

FRANCO-ITALIAN DECLARATION AND PROTOCOL FOR THE ESTABLISHMENT OF A CUSTOMS UNION

FRANCO-ITALIAN DECLARATION

The French and Italian Governments, noting that the work of the Committee on European Economic Cooperation, now meeting in Paris, has clearly brought to light the benefits that would result from the establishment of a customs union, extending as far as possible to the European States, have, on the initiative of the Italian Government, examined the conditions under which a practical study of the realization of such projects could be undertaken, in so far as they are concerned.

They have decided to establish at once a joint commission responsible for conducting a thorough study of the data on the basis of which a customs union could be concluded between Italy and France. A protocol will determine the competence of this commission.

This study should permit the determination of whether this union at the beginning should be limited to Italy and France, or should, on the contrary, embrace from its inception other European States; it will also have for its objective the determination of whether or not the establishment of a Franco-Italian customs union would be of a nature as to facilitate the participation of Italy and France in a broader European Customs Union.

The joint commission is to present its report to the two governments before the end of 1947.

PARIS, September 13, 1947

For France:

BIDAULT

For Italy:

CAMPILLI

PROTOCOL

Following the declaration which has been published to make known the intention of the Italian and French Governments to effect a study of a project for a Franco-Italian customs union, a joint Franco-Italian commission is established under the following conditions and with the following powers:

This commission shall be composed of an Italian delegation and a French delegation, each comprising a chairman and ten members.

¹ An article on the Franco-Italian Customs Union by Howard J. Hilton, Jr. appeared in the BULLETIN of Aug. 15, 1949, p. 203.

The commission shall be presided over alternately by both chairmen. It shall meet for the first time before September 15, in order to determine its methods of work and the frequency of its meetings; it shall establish the program according to which the two delegations are to conduct their work during the periods between meetings. The chairmen shall have full power to set up such subcommittees as they may deem necessary and, in the work of these subcommittees, may call upon all experts whose presence may be necessary. They shall fix the places for the meetings of the joint commission. A permanent secretariat shall be formed to ensure liaison between the two delegations.

The joint commission shall, before December 31, 1947, present a thorough study on the timeliness of establishing a customs union between Italy and France. It shall, in particular, devote its attention to the following points:

1. Customs, fiscal, and administrative questions;
2. Financial and monetary questions;
3. Industrial questions;
4. Agricultural questions;
5. Communications and transportation;
6. Movement of persons and questions relating to labor;
7. Economic relations with third parties;

As well as all other questions not listed above which may be within its competence.

PARIS, September 13, 1947

For France:

BIDAULT

For Italy:

CAMPILLI

ANNEX II

PROTOCOL REGARDING THE FORMATION OF CUSTOMS UNION

The French Government and the Italian Government: desiring to hasten the reconstruction of the French and Italian economies and to assure the solidity and stability of these economies;

considering that they would cooperate in this manner with the reorganization and development of the European economy and of world trade;

inspired by the work of the Committee of European Economic Cooperation which met at Paris in August and September 1947;

have, by a declaration dated September 13, 1947, indicated their determination to study the bases on which a Customs Union might be concluded between France and Italy; and for this purpose entrusted the task of proceeding with this study to a Commission composed of French and Italian delegates.

This Commission, after a close examination of all aspects of the problem, issued a report on December 22, 1947. The conclusions were favorable to the establishment of a Customs Union which should be realized by steps and with suitable adjustments during the transition period in order not to injure the interests of the two countries.

The French Government and the Italian Government have decided to adopt the conclusions of the Report of the Commission and declare, therefore, their formal desire to establish a Franco-Italian Customs Union.

The two Governments are convinced that this Union will permit the development of consumer markets, improve the specialization of production, lower production costs and attain full employment of manpower; in addition they believe that the European reconstruction will be strongly aided by the measures that may be adopted and declare in the interest of this reconstruction that they are favorable to an extension to other countries of the Franco-Italian Customs Union in order to assure the cooperation of the largest number of economic forces.

Since the conditions of application of the Customs Union must be in harmony with the provisions of the General Agreement on Tariffs and Trade, the two Governments will consult with the signatory parties to that Agreement and furnish them, with regard to the Union, all information which will permit them to submit to the French and Italian Governments all useful reports and recommendations.

The two Governments are decided to create a Mixed Commission which shall determine as soon as possible the terms of an agreement that will define the plan and program for the realization of the Customs Union taking into account the recommendations contained in the Report of December 22, 1947.

The provisions of this accord shall be submitted for the approval of the two parliaments in accordance with the parliamentary procedure existing in each of the two countries.

Made at Turin in two copies in French and Italian, March 20, 1948.

For France

GEORGE BIDAULT.

For Italy

COUNT CARLO SFORZA

ANNEX III

DECISION TAKEN BY FRANCE AND ITALY AT THE FIRST SESSION, HAVANA, MARCH 20, 1948

The Contracting Parties decide in terms of paragraph 5 of Article XXV that the provisions of the General Agreement on Tariffs and Trade shall not prevent the establishment of a customs union or interim agreement for a customs union between France and Italy which union or agreement conforms to the following requirements:

1. (a) The duties and other regulations of commerce

imposed at the institution of any such union or interim agreement in respect of trade with contracting parties shall not on the whole be higher or more restrictive than the general incidence of the duties and regulations of commerce applicable in the constituent territories prior to the formation of such union or the adoption of such interim agreement, as the case may be;

(b) Any interim agreement referred to in sub-paragraph (a) above shall include a plan and schedule for the attainment of such a customs union within a reasonable length of time.

2. If in fulfilling the requirements of sub-paragraph 1 (a), one of the parties proposes to increase any rate of duty inconsistently with the provisions of Article II of the General Agreement on Tariffs and Trade, the procedure set forth in Article XXVIII of that Agreement shall apply. In providing for compensatory adjustment, due account shall be taken of the compensation already afforded by the reductions brought about in the corresponding duty of the other constituents of the union.

3. (a) The two parties, deciding to enter into a customs union or an interim agreement leading to the formation of such a union, shall promptly notify the Contracting Parties and shall make available to them such information regarding the proposed union as will enable them to make such reports and recommendations to contracting parties as they may deem appropriate.

(b) If, after having studied the plans and schedules provided for in an interim agreement under paragraph 1, in consultation with the parties to that agreement and taking due account of the information made available in accordance with the terms of subparagraph (a), the Contracting Parties find that such agreement is not likely to result in a customs union within the period contemplated by the parties to the agreement or that such period is not a reasonable one, the Contracting Parties shall make recommendations to the parties to the agreement. If the parties are not prepared to modify the agreement in accordance with such recommendations they shall not maintain it in force or institute such agreement if it has not yet been concluded.

(c) Any substantial change in the plan or schedule shall be notified to the Contracting Parties which may request the two parties concerned to consult with them if the change seems likely to jeopardize or delay unduly the achievement of the customs union.

4. (a) A customs union shall be understood to mean the substitution of a single customs territory for two or more customs territories, so that

(i) tariffs and other restrictive regulations of commerce (except, where necessary, those permitted under Articles XI, XII, XIII, XIV, XV, XX and XXI of the General Agreement on Tariffs and Trade) are eliminated on substantially all the trade between the constituent territories of the union or at least on substantially all the trade in products originating in such territories and

(ii) substantially the same tariffs and other regulations of commerce are applied by each of the members of the union to the trade of territories not included in the union, subject to the provisions of paragraph 5;

5. The preferences referred to in paragraph 2 of Article I of the General Agreement on Tariffs and Trade shall

not be affected by the constitution of a customs union but may be eliminated or adjusted by means of negotiations with contracting parties affected. This procedure of negotiations with affected contracting parties shall in particular apply to the elimination of preferences required to conform with the provisions of sub-paragraph (a) (1) of paragraph 4.

ANNEX IV

TREATY FOR THE ESTABLISHMENT OF A CUSTOMS UNION BETWEEN FRANCE AND ITALY

The President of the French Republic and the President of the Italian Republic,

Considering the declaration of 13 September, 1947, whereby the French and Italian Governments expressed their desire to study the material on the basis of which a Customs Union might be established between the two countries mainly with a view to reducing prime costs and selling prices, raising the standard of living and ensuring full employment;

And considering the favourable conclusions reached in its Report of 22nd December 1947, by the Joint Franco-Italian Commission charged with this study;

And considering the Protocol signed at Turin on 20 March 1948, whereby the two Governments adopted the said conclusions and signified their formal intention of establishing a Franco-Italian Customs Union;

And considering the Report dated 22 January 1949, drawn up by the Joint Franco-Italian Commission charged by the Turin Protocol to formulate the plan and the programme for the implementation of the said Union;

And considering the Final Act of the United Nations Conference on Trade and Employment of 24 March 1948, of which France and Italy are signatories, and Article 44 of the Havana Charter;

Have decided to promote the action necessary to establish a Customs Union regime between France and Italy, and have appointed as their Plenipotentiaries:

The President of the French Republic:

Mr. ROBERT SCHUMAN, Minister for Foreign Affairs; The President of the Italian Republic:

Mr. CARLO SFORZA, Minister for Foreign Affairs;

who, having exchanged their full powers, found in good and due form, have agreed on the following provisions:

Article 1

A Customs Union is hereby constituted between Metropolitan France and the Departments of Algeria, of the one part, and Italy, of the other part.

TARIFF UNION

Article 2

Within one year from the date of entry into force of the present Treaty, a common customs tariff shall be brought into application on the external frontiers of the Union in accordance with uniform legislation and regulations to be subsequently established.

August 22, 1949

Article 3

From the date of application of this tariff, no customs duties shall be levied on the importation into any of the territories of the Union of national or nationalized goods originating in another territory of the Union.

As from the same date, no customs duties shall be levied on national or nationalized goods exported from any of the territories of the Union for importation into another territory of the Union.

Article 4

Pending the equalization of fiscal charges in the two countries, the goods referred to in the foregoing Article shall be entitled, in the exporting territory, to exemption from, or refund of, internal duties or charges levied on behalf of the State and shall remain liable in the importing territory to duties and charges other than customs duties.

Article 5

The apportionment of customs receipts between the two countries shall be regulated by a subsequent agreement.

ECONOMIC UNION

Article 6

As from the date of entry into force of the present Treaty, appropriate measures shall be taken to foster economic relations between France and Italy in such a way as eventually to achieve an Economic Union between the two countries.

Concurrently with the co-ordination of French and Italian legislation as provided under Article 15, paragraph 2, restrictions on the movement of goods and persons from one territory of the Union to another shall be progressively abolished.

Within two years of the date on which it takes up its functions, the body referred to in Article 9 shall make such proposals as it may deem expedient regarding the time-limit within which the Economic Union should be fully achieved, it being the desire of the two High Contracting Parties that this time-limit shall not exceed six years.

Article 7

As from the date of the entry into force of the present Treaty, and during the period referred to in Article 6, countervailing measures, especially duties established exceptionally and provisionally by either of the two Governments, may be applied to the goods referred to in Article 3.

The object of such measures shall be either to offset the difference in charges resulting from disparities between the two legislations until such time as the latter have been co-ordinated, or to regularize and mitigate the effects of the abolition of quantitative restrictions.

The total incidence of these measures shall be such that the protection resulting therefrom is less than that provided in respect of the same goods originating from third countries.

Article 8

The two Governments shall have the right to maintain monopolies established by them and at present in force.

CUSTOMS UNION COUNCIL

Article 9

A joint body to be known as the "Council of the Franco-Italian Customs Union" shall be set up within one month of the date of entry into force of the present Treaty.

Each State shall be represented thereon by a Delegate-General, a deputy Delegate-General and seven members chosen for their personal competence.

A joint administrative Secretariat shall be established, its members being appointed on the joint nomination of the two Delegates-General. The cost of maintaining the Secretariat shall be shared equally by the two Governments.

Article 10

The Council shall meet at regular intervals. Extraordinary sessions may be held at the request of either of the Delegates-General.

Each of the two Delegates-General shall preside over the Council in turn for a period of one year.

No formal business may be conducted by the Council unless there is a quorum of at least two-thirds of the members of each Delegation.

The Council shall draw up its own rules of procedure and determine the manner in which its proceedings shall be organized and conducted

Article 11

The Council shall set up joint technical commissions to examine the various individual problems raised by the implementation of the Union.

Such commissions shall be placed under the authority of the Council, which shall determine their membership and powers.

The members of the commissions may be either representatives of the government departments of each of the two States, or experts appointed by the Governments, whether directly or on the nomination of the trade associations or trade unions.

Article 12

Each Delegate-General shall assign to the Delegation of the other country a representative responsible for liaison between the two Delegations. The said representative shall be appointed by his Government on the nomination of its Delegate-General.

Article 13

A permanent section of the Council comprising the two deputy Delegates-General, delegates nominated jointly by them and the two representatives referred to in the previous Article, shall meet at intervals to be fixed by the Council, and more frequently if the need arises. The Permanent Section may invite experts to attend its meetings.

Article 14

The Permanent Section shall examine and co-ordinate the work of the technical commissions and at each of the Council's sessions, it shall submit reports on the items on the agenda and where necessary, on any other questions to which it deems it advisable to draw the Council's attention.

Article 15

Whereas the power to take decisions and to execute them is reserved entirely for the respective Governments, the functions of the Council shall be as follows:

1. To prepare the tariff union and ensure its implementation within the time-limit laid down in Article 2.

2. To prepare the economic union and ensure its implementation. To this end, the Council shall submit to both Governments on 1 October of each year, and in the first instance on 1 October 1949, a programme of measures to be taken during the ensuing year, together with such texts as may need to be adopted to ensure its execution, with special reference to the co-ordination of agricultural, industrial, social, fiscal, monetary and customs legislation, and in general of all legislation having a bearing on economic affairs.

3. To make such proposals as it may deem expedient for the achievement, *inter alia*, of the following ends:

— the fullest and most rational use of manpower with a view to raising the standard of living in both countries,

— the development of the economic activity of each country in accordance with the best interests of the Union,

— the adoption of measures for the development of trade between the two countries and with other countries.

4. To facilitate, promote and direct relations of every kind which the formation of the Customs Union is calculated to foster and develop between the government departments, public services and trade associations and trade unions of both countries.

5. To advise on measures referred to it by either of the two Governments. In particular, the measures envisaged in Article 7, shall in all cases be referred by each of the two Governments to the Council; the Council may make recommendations to the Governments on such measures, especially with regard to their duration, maintenance, amendment or abolition.

Article 16

Each Delegate-General shall be responsible for liaison between his Government and the Council.

He shall acquaint his Government with the proposals of the Council and keep the Council informed of the action taken on them. He shall submit to the Council his Government's requests for an advisory opinion and transmit the Council's replies to his Government.

He shall keep himself informed of all questions relating to the Customs Union and shall at all times be consulted upon them by his Government.

FINAL CLAUSES

Article 17

Any dispute with regard to the interpretation of the present Treaty which it has not been possible to settle by

(Continued on page 263)

THE UNITED NATIONS AND SPECIALIZED AGENCIES

Basic Issues on Atomic Energy

Statement by Frederick H. Osborn, Deputy U.S. Representative in AEC¹

Eight months ago the General Assembly of the United Nations approved the recommendations of the Atomic Energy Commission for an international system to control atomic energy.² This plan provides for the prohibition of atomic weapons and for the development of atomic energy for peaceful purposes only, through an international cooperative to include all nations.

In the opinion of all those who have closely studied this problem the replacement of national rivalries by such a cooperative endeavor is the only way to make effective the prohibition of atomic weapons and to promote best the development of atomic energy for the equitable benefit of all nations. In spite of the long study and debates on this subject, there are certain details of the approved United Nations control plan that have been either misunderstood or misinterpreted by many people, and even by some members of this Commission.

One of the misinterpretations concerned the stages by which the proposed treaty should go into effect. The Soviet delegates have persistently clung to the mistaken idea that it was the intention of the majority that the international control of mines producing fissionable material should be the first step in putting the plan into operation. I believe we have made it incontrovertibly clear in the course of these recent discussions—and that the records will bear me out—that the recommendations approved by the Commission and the United Nations Assembly nowhere require that control over mines should be the first stage.

¹ Made before a meeting of the U.N. Atomic Energy Commission on July 20, 1949, and released to the press by the U.S. Mission to the United Nations on the same date.

² BULLETIN of Nov. 14, 1948, p. 606.

A second misinterpretation has to do with the timing of prohibition. Under the plan approved by the General Assembly, nations are prohibited from the manufacture, possession, or use of atomic weapons. This prohibition can become effective only when the international agency takes over the ownership of the explosive and dangerous materials contained in such weapons.

In the approved recommendations, nations and persons are prohibited from owning, operating, or managing atomic facilities which use or produce dangerous atomic materials. This prohibition can become effective only when the international agency actually takes over the ownership, operation, and management of such facilities, as provided in the plan.

It should be clear now that under the approved plan and recommendations, the prohibition would go into force at the same time as the corresponding controls are brought into force. There is no longer any justification for anyone saying that controls would go into effect before prohibition. These misinterpretations are dangerous because they tend to confuse the more basic issues which are of a very different kind.

The basic differences on the control of atomic energy have to do with whether this new discovery, which can be so dangerous and may in the future be so beneficial, can safely be left in the hands of nations, or whether it must be put in the hands of an international cooperative. Out of this controversy, spring the two plans which have been under discussion for almost 3 years.

The United Nations plan has been criticized not only by the representative of the Soviet Union on this Commission but by various elements in other countries as well. It has been attacked on the ground that it would take away some of the sovereign

eign rights of the nations which accepted it. This is true. Each nation would be deprived of the right to compete with other nations to see who could amass the greatest quantities of atomic materials, which can be used either as explosives or, at some later date, in the production of power.

It has been attacked by those who say that existing atomic plants and mining operations would be under the sole control of an international agency, and nations could not direct their operation if they wanted to. This is a true charge. The plan itself provides that known stocks of atomic materials suitable for either explosives or fuels should be kept to a minimum consistent with proven beneficial uses, including research and development. This provision was incorporated in the approved recommendations at the suggestion of the delegation of the United Kingdom, and is made necessary by security considerations.

The plan has been criticized on the ground that the system of inspection which it proposes would open to the world all those countries whose borders are now closed. But the question arises: if the system of inspection is thus to be made inadequate, how could distrust and suspicion between nations be avoided?

The plan has been criticized because the larger nations would be limited to a specified proportion of the total world supply of electrical power that can be obtained from atomic energy. This provision for quotas, written into the treaty, was proposed by the French delegation precisely in order to prevent national rivalries among the larger countries and to assure an equitable distribution of atomic resources for peaceful purposes among all nations, including the smaller nations who would not otherwise be in a position to obtain their share.

Finally, it is said that this plan is ahead of its time. That the world is not ready yet for so novel and large a plan which would be in effect a world cooperative in the field of atomic energy.

These and many other objections to the plan have been voiced not only by the delegation of the Soviet Union in the Atomic Energy Commission, but have also been expressed in various quarters in many countries. Some of these objections are made by the most reactionary elements; others are voiced by idealists who believe that the world has grown so good that each nation can be trusted to possess atomic explosives without using them, or threatening to use them.

Yet, notwithstanding all these and many other weighty objections, the fact remains that at the meeting of the General Assembly in Paris in 1948, this plan was approved by 46 nations in the plenary session or in committee. Only the Soviet Union and its five associated states opposed it.

These 46 nations approved this plan because it is the only plan which anyone has yet been able

to devise which would, in so far as is humanly possible, prevent preparation for atomic war, which would stop national rivalries in atomic materials and weapons, and which would at the same time protect the interests of every nation, great or small, in the development and equitable distribution of atomic energy for peaceful purposes.

The Soviet Union has proposed an alternative to the United Nations plan. The Soviet Union would have each of the larger nations continue to own explosive atomic materials, and continue to own and operate plants for making explosive atomic materials in accordance with the rules agreed to in an international convention. A control commission is provided for, with powers to make recommendations to governments and to the Security Council and empowered to make periodic inspection of declared facilities. Such a system has never been successful in preventing international competition even in ordinary armaments in the past.

There is another aspect of the Soviet's position which throws a particularly interesting light on the Soviet attitude toward these negotiations. The Soviet Union insists that their proposed national ownership of explosive atomic materials and national ownership and operation of plants making explosive atomic materials should be supervised by an international agency, whose recommendations would be subject to the veto of any one of the five powers which are permanent members of the Security Council. Such a power of veto would make any treaty unenforceable. The proposal indicates a complacent refusal to face the reality of the dangers which threaten mankind if the present national rivalries in atomic explosives go much longer unchecked.

To leave the development of explosive atomic materials in national hands would not only fail to provide the necessary safeguards for enforcing the prohibition against weapons, but it would inevitably continue national rivalries of a most dangerous sort. An international agency charged with the supervision of such national activities would, in our opinion, be faced with an impossible task. It would be engaged in a constant struggle to control the actions and decisions of well-entrenched atomic energy commissions in every country.

Under such circumstances it seems to us inevitable that there would be constant friction, leading to extremely dangerous mutual suspicions and distrust. Each nation would feel that it must protect its national interest. National rivalries in the field of atomic energy would be continued in a form more dangerous than at present because the existence of a treaty would give the people of the world a false sense of security.

Yet, this is the plan proposed by the Soviet Union and is the only plan on the basis of which the Soviet Union is willing to carry on discussions. In April 1948, this plan was rejected in

the Atomic Energy Commission by a 9 to 2 vote. The Commission found that: "They [the Soviet proposals] ignore the existing technical knowledge of the problem of atomic energy control, do not provide an adequate basis for the effective international control of atomic energy and the elimination from national armaments of atomic weapons, and therefore do not conform to the terms of reference of the Atomic Energy Commission." The General Assembly of the United Nations itself, by an equally overwhelming vote, rejected these Soviet proposals in November 1948. Yet throughout the meetings of the Atomic Energy Commission in 1949, the representatives of the Soviet Union have insisted that the basis for the further work of the Commission must be these rejected proposals, and the Soviet representatives have refused even to take part in constructive discussion of the plan of cooperative control approved by so large a majority of all nations in the General Assembly.³

It is therefore very evident that the impasse as it is analyzed in the third report of this Commission still exists. There is also much evidence in our recent debates that our discussions in the Commission are not bringing us any closer. On the contrary these discussions only harden the differences with the Soviet delegates. It is apparent that these differences cannot be reconciled at the Commission level.

The Commission has a heavy responsibility to make clear to the United Nations and to the world just what is the nature of the situation confronting the Commission. The Commission also has a responsibility to state in concise terms to the General Assembly the basic reasons why it is neither practicable nor useful to continue its discussions in the Commission until such time as the sponsoring powers have found that there exists a basis for agreement.

I am therefore presenting a resolution to the Commission which we believe fulfills these responsibilities of the Commission and at the same time expresses the intent of the two resolutions passed in the Working Committee and now on our agenda.

Draft Resolution

U. N. doc AEC/41
Dated July 20, 1949

The Atomic Energy Commission

Reports that in accordance with the instructions in General Assembly resolution 191 (III) of 4 November 1948, the Atomic Energy Commission has surveyed its programme of work in order to determine whether further work would be practicable and useful;

August 22, 1949

That the Union of Soviet Socialist Republics and the Ukrainian SSR continue to reject the recommendations of the Commission approved by the General Assembly on 4 November 1948, including those forms of control contained in the plan approved by the General Assembly "as constituting the necessary basis for establishing an effective system of international control of atomic energy to ensure its use only for peaceful purposes and for the elimination from national armaments of atomic weapons in accordance with the terms of reference of the Atomic Energy Commission";

That the Union of Soviet Socialist Republics and the Ukrainian SSR continue to insist on the adoption of the draft resolution proposed by the Union of Soviet Socialist Republics, and rejected by the General Assembly on 4 November 1948, to prepare immediately separate conventions based on the proposals of the Soviet Union of June 1946 and June 1947, which provide among other things for national ownership of dangerous and explosive atomic materials, and for national ownership, operation and management of dangerous atomic facilities. This in the opinion of the other members of the Commission, would not remove causes for suspicion, fear and distrust among nations, would render ineffective the prohibition of atomic weapons, and would continue dangerous national rivalries in the field of atomic energy.

Concludes that the impasse as analysed in the third report of the Atomic Energy Commission still exists; that these differences are irreconcilable at the Commission level, and that further discussion in the Atomic Energy Commission would tend to harden these differences and would serve no practicable or useful purpose until such time as the Sponsoring Powers have reported that there exists a basis for agreement.

Address by Ambassador Austin

On August 11 Ambassador Warren R. Austin delivered a statement on subject of the Report of the Acting Mediator on Palestine, Ralph J. Bunche, before the Security Council. Text was issued as United Nations press release 667.

³For further information on the subject see, *International Control of Atomic Energy—Policy at the Crossroads*, Department of State publication 3161; *The Third Report of the United Nations Atomic Energy Commission of the Security Council, May 17, 1948*, Department of State publication 3179; and *Atomic Impasse, 1948*, Department of State publication 3272. Each of the publications for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C. at 45¢, 25¢ and 15¢ respectively.

Three Years' Account of AEC Distribution of Isotopes

[Released to the press by AEC August 3]

Three years ago the first shipment of radioactive elements—radioactive isotopes—was made from the atomic “furnace” at Oak Ridge National Laboratory for use as tracer atoms by researchers in the United States. On August 3, the third anniversary of the initiation of the distribution program, the Isotopes Division of the Atomic Energy Commission here announced that a total of 7,613 shipments have gone to various institutions and individuals for use as invaluable tools of science, agriculture, medicine, and industry. In addition 750 shipments of separated, nonradioactive stable isotopes were also made.

The program has grown to such an extent that the Atomic Energy Commission is constructing a special area at the laboratory to facilitate the processing and packaging of the radioactive isotopes for distribution throughout this country and abroad. Research laboratories for improving present processing techniques are also being constructed and will soon be ready for use. Expansion of the program has been possible because of the advances made in production by the staff of the Operations Division of the laboratory, the AEC said.

To date over 1,850 scientific and technical publications describing isotope studies have been made, with approximately 200 papers being published each month.

Of the total number of shipments, 7,025 have gone to research laboratories and hospitals in the United States. Since September 1947, when the foreign distribution program was announced, 588 shipments have gone to researchers in 21 countries.

Many of the stable isotopes shipped were made in the facilities of the Electromagnetic Plant in Oak Ridge. Both the Oak Ridge National Laboratory and the Electromagnet facilities are operated by Carbine and Carbon Chemicals Corporation for the Commission.

To round out a comprehensive program of distribution of radioactive materials, the AEC announced on July 24, 1949, the availability to researchers in the United States of cyclotron-produced radioisotopes. With this additional supply of radioisotopes which are produced in the ac-

celerator type of atom-smashing machines added to the varieties produced in the Oak Ridge laboratory's reactor, researchers will have a new collection of tracer atoms to find answers to problems in general science, medicine, industry, and agriculture. These radioisotopes are produced in machines at the Massachusetts Institute of Technology, the University of Pittsburgh, Washington University at St. Louis, and the Crocker Radiation Laboratory at the University of California. They are processed at the Oak Ridge National Laboratory and allocated in the usual manner by the AEC's Isotopes Division.

To date, 307 institutions and 557 departments of institutions in the United States have received shipments of radioactive isotopes produced in the laboratory's reactor. During the same period, 144 institutions and 209 departments of institutions have received shipments of stable isotopes.

Researchers in the following countries have received radioactive materials from Oak Ridge, mainly for medical and biological studies: Argentina, Australia, Belgium, Brazil, Canada, Colombia, Denmark, Finland, France, Iceland, Italy, Netherlands, New Zealand, Norway, Peru, Spain, Sweden, Switzerland, Turkey, Union of South Africa, and United Kingdom.

In addition, eight other countries have qualified to receive shipments but so far have not instituted orders. They are Chile, Cuba, Guatemala, India, Ireland, Lebanon, Mexico, and Uruguay.

Examples of uses of the radioactive materials follow:

Medicine—(1) Researchers have been using radioactive iodine in tagged radioactive dye (diiodofluorescein) to locate brain tumors before surgery. The dye is taken up more selectively by brain tumor tissue than by normal brain tissue. The gamma radiation from the radioactive iodine penetrates the skull of the patient and can be used to show the surgeon where the tumor mass is located; (2) more recently some investigators have used radioactive phosphorus or P 32 as a supplementary tool in brain tumor surgery. The beta radiation from P 32 cannot penetrate through the skull and therefore cannot be used in the same

way. If the patient is given P 32 before surgery, however, it also is selectively absorbed by brain tumor tissue. After the surgical incision has been made the surgeon can insert a small Geiger-counter tube (about $\frac{1}{8}$ inch in diameter) through the incision into the mass of the brain and determine by the concentration of radioactivity what part of the tissue is abnormal.

Agriculture—The United States Department of Agriculture has extended its studies of phosphate fertilizer uptake with radiophosphorus. During the current growing season these studies are being carried out in 14 States on such crops as corn, potatoes, tobacco, pasture, sugar beets, alfalfa, oats, clover, ryegrass, cotton, and peanuts. The studies are designed to tell the farmer how much fertilizer he should use in respect to type of soil, crop, climate, and where he should place it. Results obtained thus far show that with some soil and crops, the crop gets a major portion of its phosphorus from the soil phosphorus already present rather than from the fertilizer phosphorus.

Industry—Two new industrial uses of radioisotopes have been made in the last year. One, the study of friction with radioactive piston rings, is an extension of earlier friction studies. The other is a new method for studying the flow of oil through pipe lines.

With radioactive piston rings, it is possible to trace engine wear with great accuracy and in a short period of time while the engine is running continuously. The radioactive particles worn off the rings drop into the lubricating oil. Radioactivity measurements on the oil in turn indicate the amount of wear which has taken place.

The pipe line study involves using a radioactive

tracer to follow the flow of a boundary between two different types of crude oil. If crude oil type A is of higher grade than type B, it is necessary to direct them through the same pipe to different sections of the refinery. Before introducing type B into the pipe after type A has just passed through, a small amount of radioactive material is added. The radioisotope then serves as a means of telling where the boundary between the two crudes is located.

Many new uses of radioisotopes have been made possible by the availability of an increasing number of complex tracer or isotope-tagged materials from commercial and nonprofit laboratories outside Commission facilities. The Commission recently made contract agreements with six outside laboratories to develop procedures for the synthesis of selected tagged materials which have not yet been made available. Approximately 70 tracer compounds are now available, and preparation procedures are being developed for an additional 45 compounds. These compounds will include such important biological substances as hormones, amino acids, sugars and proteins.

Because of an increasing interest in the use of isotopes for cancer research, diagnosis, and therapy, the Commission in April 1948 initiated a program of making available radiosodium, radiophosphorus, and radioiodine free of production costs to investigators proposing to use the materials for such purposes. On February 25, 1949, the Commission announced that this program would be supplemented by making available free of production costs for use in cancer research all radioisotopes normally distributed from its facilities. To date the cancer program has accounted for 2,059 shipments of isotopes of approximately 10 elements. Over 90 percent of this number has been shipments of either radiophosphorus or radioiodine.

U.S. Approves Continuation of Interim Committee

Statement by Charles P. Noyes, Deputy U.S. Representative on the Interim Committee¹

MR. PRESIDENT: I should like to make a few brief remarks in support of the recommendations contained in the report of subcommittee 7 of the Interim Committee. The United States is a member of that committee and fully approves the draft resolution which it has submitted to the Interim Committee.

¹ Made before a meeting of the Interim Committee on Aug. 10, 1949, and released to the press by the U.S. Mission to the United Nations on the same date.

The members of the subcommittee found themselves in entire agreement that the Interim Committee should be reestablished for an indefinite period. It is our hope that this recommendation will commend itself to members of the Interim Committee.

It is the belief of the United States delegation that the reestablishment of the Interim Committee on the basis recommended will strengthen the machinery for peaceful settlement of the

United Nations and will make the facilities of the General Assembly continuously available between regular sessions of the General Assembly. We believe that the experience of the last 2 years indicates that the Interim Committee can make a valuable contribution towards the success of the United Nations.

As we all know, and as was pointed out by various members of the subcommittee, the Interim Committee has not during the past year undertaken any work of a political nature. I do not believe that this fact should lead us to doubt its value. It may be that in this aspect of its work during the past year the Interim Committee, like a fire department, had more value as insurance than in any specific material contribution. We know, however, that fires may occur, and under these circumstances, it seems important that we should be prepared.

We have just completed our work on another aspect of the Interim Committee's functions, namely, the pacific settlement studies. I am sure we are all in agreement that these studies are valuable and that the Interim Committee should continue to carry them forward in accordance with the agenda which was adopted last March. I do not think we should underrate the contribution which can be made to the United Nations by this continuing process of reexamination, in an atmosphere removed from immediate political issues, of the work of the United Nations in the field of pacific settlement. I think all of the members of the United Nations are coming more and more to realize that chapter VI of our Charter has as yet unexplored possibilities of development. The work that the Interim Committee has set out to do in this field can, in our opinion, contribute significantly to the success of the United Nations in the maintenance of international peace and security.

There is one other aspect of the Interim Committee's work, namely, the field of preparation of political issues in the General Assembly, in which the Interim Committee has not yet been active. This function of the Interim Committee remains a potentiality, but it is my opinion that as the member nations learn by experience that the Interim Committee can make a useful contribution in this field, its potentialities will gradually be developed. This development depends, in our view, more on learning how to use the Interim Committee under its present terms of reference than on any modification in the terms of reference themselves.

You will note that the subcommittee expressed its regret that six members of the United Nations have declined to participate in the work of the Interim Committee, and that the hope was expressed that in the light of the experience of the

Interim Committee these members might be persuaded to reconsider their attitude. This follows very closely a similar statement of the Interim Committee made last year. The absence of these members may have made some of the work of the Interim Committee less conclusive than it might otherwise have been. However, the absence of these six members has not prevented the Interim Committee from doing the work which has been assigned to it and making a valuable contribution to the United Nations. Furthermore, I think it must now be clear that the membership of the United Nations is not using the Interim Committee, as the Soviet Union has charged, as a crude device to bypass the Security Council. While we may continue to hope that these six member states may change their views and come eventually to participate in the Interim Committee work, we believe it undesirable as a matter of principle, in the light of the Soviet Union's policy in and out of the United Nations, that the vast majority of the membership of the United Nations should abandon this constructive effort simply because of Soviet opposition and nonparticipation.

The United States is earnestly concerned with strengthening the United Nations, and it is our view that the continuation of the Interim Committee on the basis suggested in the report of the subcommittee will contribute to that end. We therefore urge the Interim Committee to approve the report and the draft resolution annexed to it.

U.N. Secretariat Procedures Upheaved by Secretary Acheson

[Released to the press August 3]

The following is the text of the reply of Secretary Acheson to a letter of July 26, 1949, from Byron Price, Acting Secretary-General of the United Nations, regarding the release on July 24, 1949, by a Subcommittee on Immigration and Naturalization of the Judiciary Committee of the United States Senate of certain testimony concerning the Secretariat of the United Nations:

August 2, 1949.

MY DEAR MR. PRICE: In your letter of July 26 you direct my attention to a news release issued on July 24 by a Subcommittee on Immigration and Naturalization of the Judiciary Committee of the United States Senate reproducing certain proceedings of the Subcommittee, including the questioning of a witness with regard to matters concerning the Secretariat of the United Nations. Your letter requests that, in view of the deep concern of the United Nations, you be informed of the views of my Government on this subject.

I appreciate your concern over the release of this testimony by a subcommittee of the United States Senate and over the publicity which ensued. However, the United Nations is aware, I am sure, of the traditions and practices of the United States in the matter of freedom of expression. You are also aware of the principles of the separation of powers under which the United States Government operates and of the manner in which the legislative branch conducts its affairs, including the practice of Congressional investigation as a basis for legislation.

I agree with the views expressed in your letter of July 26 with regard to the proper relationship between Member governments and the United Nations Secretariat. You may be assured that the United States Government is fully aware of its obligations under Article 100 of the United Nations Charter "to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities". The United States has subscribed to these provisions and continues to support them

wholeheartedly. The United States Government is fully cognizant of the methods and procedures which the United Nations has established for the review of the activities of the Secretariat by the General Assembly through appropriate committees, and will continue to use those methods to criticize and seek the correction of any questionable practices on the part of the United Nations Secretariat which might appear.

So far as the particular incident is concerned, I am not aware of the identity of the secret witness before the subcommittee and cannot say, therefore, what might have motivated this person to make such a statement. You may be assured, and you may assure Secretary-General Lie, that my Government has great confidence in his ability and integrity, and in his administration of the Secretariat. I should also like to express our confidence in the handling of matters of personnel, which are under your own care as Assistant Secretary-General for Administrative and Financial Services. I am confident that a situation like that described by the anonymous witness would not be tolerated.

Very sincerely yours,

DEAN ACHESON

Trusteeship Council Considers Report on Strategic Areas

U.N. doc. S/1358
Submitted July 28, 1949, to Security Council

I. Introduction

In accordance with Article 83 of the Charter, and with the resolution adopted by the Security Council at its 415th meeting on 8 March 1949 and the resolution¹ adopted by the Trusteeship Council at the forty-sixth meeting of its fourth session on 24 March 1949, the Trusteeship Council has carried out on behalf of the Security Council those functions of the United Nations under the International Trusteeship System relating to political, economic, social and educational advancement of the inhabitants of the Trust Territory of the Pacific Islands, designated as a strategic area.

II. Provisional Questionnaire

In accordance with the above-mentioned resolutions of the Security Council and the Trusteeship Council, the Secretary-General, at the request of the Trusteeship Council, had transmitted the Provisional Questionnaire² to the Security Council.

No observations having been made by that Council within one month, the Secretary-General had transmitted the Provisional Questionnaire to the Government of the United States of America as Administering Authority for the Trust Territory of the Pacific Islands, on 3 May 1949.

III. Examination of the Annual Report

The report of the Government of the United States of America on the administration of the Trust Territory of the Pacific Islands for the period ended 30 June 1948 was transmitted³ to the members of the Trusteeship Council on 1 April 1949 and was placed on the agenda for the fifth session.

Rear-Admiral Leon S. Fiske, Deputy High Commissioner of the Trust Territory, who had been appointed as the special representative of the Administering Authority, submitted written answers⁴ to written questions addressed to him by

¹ 46 (IV), U.N. doc. T/296.

² U.N. doc. T/44.

³ U.N. doc. T/329.

⁴ U.N. doc. T/359.

members of the Council on the report and on the administration of the Territory. During the sixteenth, seventeenth and eighteenth meetings the special representative of the Administering Authority answered oral questions of members of the Council.

During the eighteenth and nineteenth meetings, the Council held a general discussion with a view to formulating conclusions and recommendations relating to the report and to conditions in the Territory, and appointed a Drafting Committee consisting of the representatives of Australia, Costa Rica, Iraq and the United Kingdom to draft a report to form part of the report of the Trusteeship Council to the Security Council on its activities at its fifth session with respect to strategic areas under Trusteeship.

The draft prepared by the Drafting Committee⁵ was considered by the Council at the twenty-sixth meeting and adopted with one minor amendment.

PART II CONCLUSIONS AND RECOMMENDATIONS APPROVED BY THE COUNCIL

1. General

1. The Trusteeship Council, taking into account the comparatively brief period that has elapsed since the Administering Authority assumed responsibility for the administration of the Territory, and recognizing the difficulties arising from the destruction caused by the war, commends the Administering Authority for the progress it has already made in the political, economic, social and educational advancement of the inhabitants, and for the full nature of the information submitted both in the annual report and in the supplementary data provided by the special representative.

2. The Trusteeship Council, recognizing the desirability of the closest possible contact between the Administering Authority and the inhabitants, notes that the Administering Authority is giving consideration to the possibility of transferring the seat of government from Guam to a site within the Territory itself, and believes that this will facilitate closer association between the Administering Authority and the indigenous inhabitants.

2. Political Advancement

3. The Trusteeship Council notes with gratification that the Administering Authority has under preparation an organic act for the Trust Territory.

⁵ U.N. doc. T/378.

4. The Trusteeship Council, while noting with approval the extent to which purely local forms of self-government have been fostered and encouraged, recommends that the Administering Authority increase its efforts to develop regional governmental organs on a representative and elective basis and that it endeavour to bring representatives of the indigenous population into the territorial government, if only in an advisory capacity in the initial stages.

5. The Trusteeship Council noting that some of the 137 municipal governments established in the Trust Territory enjoy a real measure of autonomy, welcomes the efforts of the Administering Authority to establish democratic organs of purely local government and hopes that further steps may be taken to ensure that the will of the people, rather than hereditary considerations, prevail in the election or appointment of such bodies.

6. The Trusteeship Council, noting that generally speaking the people of the Marianas Islands are relatively advanced, noting also that they do not yet possess a regional council, and noting the willingness of the Administering Authority to consider the possibility of establishing an appropriate regional organ for the Marianas, recommends the Administering Authority to press forward with this measure.

7. The Trusteeship Council welcomes the steps taken by the Administering Authority to effect a real separation of administrative and judicial powers and expresses the hope that, wherever practical, further steps will be taken to effect this separation.

3. Economic Advancement

8. The Trusteeship Council welcomes the declaration of the representative of the Administering Authority that it seeks no profit or aggrandizement from the Trust Territory. It further welcomes the stated policies of the Administering Authority to protect the indigenous inhabitants against loss of their land and institute a sound programme of economic development along lines which will ensure that the profits and benefits accrue to the inhabitants and will assist them in achieving the highest possible level of economic independence.

9. The Trusteeship Council, noting the arrangements at present in force for the purchase of copra by the Island Trading Company, recommends that the Administering Authority keep these arrangements under constant review in order to ensure that the interests of the copra producers are safeguarded by receiving a fair return for their industry.

10. The Trusteeship Council, noting with concern that, in spite of the recommendation of the United States Commercial Company in 1946 that the entire output of the Anguar phosphate mines should be retained as soon as possible for use within the Territory, arrangements to export the

entire estimated tonnage of phosphates to Japan are still in force, and noting further that apart from a royalty of 25 cents per ton, the Trust Territory derives no benefit even from a processing tax from the phosphates, recommends that the Administering Authority subject this arrangement to further review and, in the light of this review, reassure the Council that the interests of the Territory and its inhabitants have been safeguarded.

11. The Trusteeship Council urges the Administering Authority before granting any permits to outside fishing companies to develop the marine resources of the Trust Territory, to explore again the possibility and practicability of developing the fishing industry as a purely indigenous enterprise with assistance from the Administering Authority itself.

12. The Trusteeship Council recommends the Administering Authority to keep the taxation system in the Trust Territory constantly under review with a view to the ultimate abolition of the

head tax and its substitution by a more progressive system of taxation based upon the capacity of the individual to pay.

4. Social Advancement

13. The Trusteeship Council, noting that the living standards of the indigenous inhabitants are still below pre-war levels, recommends that the Administering Authority take such steps as may be practicable further to raise the standard of living.

5. Educational Advancement

14. The Trusteeship Council commends the Administering Authority for its achievements in the educational field but recommends that it consider the possibility of establishing secondary schools in the Territory to meet its progressive needs.

15. The Trusteeship Council notes that the Administering Authority is sending promising indigenous students to Hawaii and the continental United States for higher education and urges it to continue doing so.

Resolution on Higher Education in the Trust Territories in Africa

U.N. doc. T/387
Adopted July 19, 1949

The Council,

(1) HAVING CONSIDERED sub-paragraph (d) of the sixth paragraph of resolution 225 (III) of the General Assembly which recommends that the Council study the financial and technical implications of a further expansion of facilities for higher education of the inhabitants of Trust Territories of Africa,

(2) HAVING ESTABLISHED by its resolution 84 (IV) the Committee on Higher Education in Trust Territories with the following terms of reference:

"Having regard to the existing facilities for higher education in Africa already provided by certain Administering Authorities and bearing in mind the plans already made and to be made for their development, to make a preliminary study of the financial and technical implications of a further expansion of these facilities, including the practicability and desirability of establishing in 1952 and maintaining a university to meet the higher educational needs of the inhabitants of Trust Territories in Africa",

(3) HAVING RECEIVED from the Committee a report on the financial and technical implications of a further expansion of facilities for higher education in Africa, and

(4) HAVING EXAMINED the report of the Committee including the statement of the technical expert of the

United Nations Educational, Scientific and Cultural Organization, as well as the statements of individual experts heard by the Committee;

I. Higher Education

(5) Notes that the Government of Belgium has decided to organize the establishment of higher education and classes preparatory to higher education in Ruanda-Urundi and in the neighbouring regions of the Belgian Congo and that it has established (a) a School of Humanities (*Collège d'Humanités*) in the Kivu area, accessible to students of Ruanda-Urundi, (b) a humanistic section (*section latine*) and "modern" section (*section moderne*) of secondary education in Ruanda, and that it is preparing to establish (a) a humanistic section (*section latine*) and modern section (*section moderne*) of secondary education in Urundi, (b) a university centre in Ruanda-Urundi which will begin in time to enable it to function regularly in 1955 when the first students have completed their humanistic studies, (c) a university centre at Kisantu in the Belgian Congo which will start its regular functioning as early as 1953, and (d) a university centre at Leopoldville;

(6) Notes that the Government of France maintains the Medical College and the newly established College of Science at Dakar in French West Africa and plans to establish by October 1950, a Law School to form part of the projected University of Dakar;

(7) *Notes* that the Government of the United Kingdom has established a University College at Ibadan, Nigeria, the University College of the Gold Coast and Makerere College in Uganda which are designed also to serve the three Trust Territories under United Kingdom administration;

(8) *Commends* the Administering Authorities for the achievements and plans which they have made so far in the field of higher education, and urges the intensification and strengthening of these efforts to the fullest extent possible;

(9) *Notes* that some Africans have been appointed to the staffs of certain institutions of higher education in Africa and expresses the hope that the Administering Authorities will increase their efforts to appoint as many qualified Africans as possible to the staffs of institutions of higher education;

(10) *CONSIDERING* the existing needs and the desirability for the development, expansion or strengthening of institutions of higher education within the Trust Territories themselves, possibly at the initial stage in the form of junior, preparatory or university colleges, university institutes or other post-secondary facilities,

(11) *CONSIDERING* the necessity of the simultaneous development of higher education with primary, secondary, teacher and technical education,

(12) *CONSIDERING* the differing educational policies, differences of language and other technical difficulties, which indicate the impracticability of establishing at this time a single university for the six African Trust Territories,

(13) *Expresses the hope* that the Government of Belgium will proceed as speedily as possible with the implementation of its plans for the establishment of a University Centre in Ruanda-Urundi and recommends that the Government of Belgium consider the initial establishment of suitable preparatory institutions of higher education by 1952.

(14) *Recommends* that the Government of France consider the establishment of institutions of higher education for the Trust Territories under its administration if possible by 1952, and expresses the hope that the Government of France will pay particular attention to the higher educational needs of the Trust Territory of Cameroons under French administration, and, specifically, consider the establishment in the Trust Territories of university institutes or university colleges of a technical or professional character which might be integrated with other institutions of higher education in territories under French administration;

(15) *Recommends* that the Government of the United Kingdom consider, without prejudice to the normal development of Makerere College, the possibility of establishing in Tanganyika, as soon as possible, facilities for higher education, including vocational and technical education; and, with a view to facilitating the expansion of higher education in Togoland and Cameroons under British administration, recommends that the Government of the United Kingdom take all possible steps to increase the number of scholarships for students from the two Territories;

(16) *Recommends* to the Administering Authorities concerned that in the planning and establishment of institutions of higher education particular attention be paid to the technical and cultural needs of the Trust Territories with the objects of advancing human knowledge and of equipping students for responsible citizenship;

II. Scholarships

(17) *Notes* that the Governments of France and the United Kingdom provide scholarships for the inhabitants of the Trust Territories under their administration to study in the institutions of higher education in Africa, the United Kingdom and France;

(18) *Recommends* that the Administering Authorities consider the possibility of progressively increasing the number of scholarships for higher education in Africa and overseas available to the inhabitants of the African Trust Territories, and to that end

(a) *Urges* that all possible steps be taken to make available to qualified students from Trust Territories fellowships, scholarships, and internships which have been or may be established by the United Nations or by its specialized agencies,

(b) *Invites* the United Nations Educational, Scientific and Cultural Organization to furnish the Administering Authorities with complete information with regard to all fellowships and scholarships and the terms and conditions under which such fellowships or scholarships have been established, and asks the Administering Authorities to collaborate with United Nations Educational, Scientific and Cultural Organization, and other specialized agencies, in the establishment and implementation of scholarship programmes with regard to Trust Territories,

(c) *Invites* the Administering Authorities to give full publicity with regard to all fellowships, scholarships, and internships available to the inhabitants of Trust Territories;

III. Financial Considerations

(19) *CONSIDERING* the financial difficulties which are at present limiting, according to the statement of the Administering Authorities concerned, the development of education in the African Trust Territories,

(20) *Invites* the Economic and Social Council, in consultation with the Trusteeship Council and the Administering Authorities concerned, to take into account the higher educational needs of Trust Territories in its study of programmes of technical assistance for under-developed areas;

(21) *Suggests* to the Administering Authorities concerned that in financing the expansion of higher education in Africa attempts be made to seek the assistance of such private organizations as may be in a position to give financial support;

IV. Reports

(22) *Requests* the Administering Authorities concerned to make available in the annual reports information with regard to the implementation of the foregoing recommendations.

THE UNITED STATES IN THE UNITED NATIONS

[August 13-19]

ECOSOC

The Economic and Social Council closed its ninth session on August 15.

The session ended with a series of meetings devoted to putting the finishing touches on an expanded program of technical assistance to underdeveloped countries.

This program, which the delegate of the United Kingdom described as "the most substantial achievement of the Council in its history", now goes to the General Assembly in September for final approval.

In his closing address, James Thorn of New Zealand, president of this session of the Council, declared that the consideration of this matter had lent distinction to the session, and added: "The underdeveloped areas will now be regarded as being within the sphere of influence of the United Nations, to be assisted in their own interest and that of the world."

By a vote of 15 to 0, with the Soviet Union, Poland, and Byelorussia abstaining, the Council proposed to the General Assembly a plan for international machinery to operate the Technical Assistance Program. The plan provides, first, for an organizational and administrative arrangement, with mechanism for coordination of the efforts of participating countries, the United Nations, and the specialized agencies; second, for the problem of financing the program; and third, for the determination of general principles and policies by which the program is to be developed.

Acting on a United States proposal, the Economic and Social Council voted to create a Technical Assistance Board for the purpose of co-ordinating the efforts of all parts of the Technical Assistance program. The Board would be composed of representatives of the participating specialized agencies, who would through this means exchange information regarding the development of their separate programs.

A division of the Council over the question whether such a system of cooperation and co-ordination would be preferable to a plan for centralized direction and control over the activities of the various sovereign agencies, advocated chiefly by the representative of Australia, but the question was resolved in favor of the former approach.

For the preparation of policy decisions by the Council on technical assistance matters, as presented to the Council by the Technical Assistance

Board, the Council set up a standing committee of the whole, to be known as the Technical Assistance Committee of the Council. This plan was based on a proposal offered by the United States and Chile, and represented a modification of a New Zealand and Australian proposal for a smaller policy supervisory body.

The Council agreed to an allocation of contributions in the following percentages: Food and Agriculture Organization, 29 percent; the United Nations, 23 percent, World Health Organization 22 percent; United Nations Educational, Scientific and Cultural Organization, 14 percent; International Labor Office, 11 percent; and International Civil Aviation Organization, 1 percent.

UNSCCUR

More than 700 scientists assembled for the 3-week session of the United Nations Scientific Conference on the Conservation and Utilization of Resources at Lake Success on August 17, with the aim of promoting the application of science to harnessing the world's resources for enriching man's living standards. President Truman suggested 2 years ago that the United Nations hold such a conference, expressing the hope that international science could itself become a great international resource.

United States Secretary of Interior Krug stated in his opening address, "You are bringing together outstanding specialists in many resource fields to exchange knowledge and share wisdom in a common cause of improvement of man's standard of living, particularly in the underdeveloped areas of the world, through the protection and wise use of man's common heritage of natural wealth, wherever it may be."

Fairfield Osborn, president of the Conservation Foundation and the New York Zoological Society sounded a sober note when he told the meeting that, barring some cataclysm, a world population of 3 billion was in prospect for the year 2000, and that certain tropical regions or very northerly regions are "the last remaining frontiers." Predicting the exhaustion of "commercially extractable" reserves of copper, lead, and zinc within the lifetime of some of the hearers, Mr. Osborn said that technologists offer our brightest and principal hope. The drain upon the earth's resources, he said, has increased geometrically to the greater numbers of people demanding a greater variety of products from an infinitely more complex industrial system.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Western Hemisphere Participation in International Telecommunication Activities

Substantial progress was made in solidifying international cooperation in the telecommunication field at the International Telecommunication Union Region 2 Fourth Inter-American Radio Conference, which met in Washington from April 25 through July 9. Representatives from 24 countries as well as observers from the International Civil Aviation Organization, the United Nations, the Organization of American States, and UNESCO¹ attended the Conference. The three basic documents, signed at the final plenary session, are good indications of the objectives attained at the Conference: the Inter-American Radio Agreement, Washington, 1949 with Annexed Declarations, Resolutions and Recommendations; the International Telecommunication Union Region 2 Resolutions and Recommendations; and the International Telecommunication Union Region 2 Report to the Second Session of the International Administrative Aeronautical Radio Conference.

For the consideration of substantive matters the Conference was divided into three main sections corresponding with the final documents produced. The section dealing with inter-American radio matters constituted the fourth of a series of specialized inter-American conferences on this subject, initiated in Habana in 1937. The Re-

¹The conference was headed by J. Paul Barringer, deputy director of the Office of Transport and Communications of the Department of State. The two vice chairmen were Rafael Arias, chairman of the Mexican delegation and Rafael J. Milans, chairman of the delegation from Uruguay. The Secretary of the conference was Gerald C. Gross, Assistant Secretary General of the International Telecommunication Union, Geneva.

Mr. Barringer also served as chairman of the United States delegation. Vice chairmen were Harvey B. Otterman, associate chief of the Telecommunications Division of the Department of State and Albert L. McIntosh, chief of the Frequency Allocation and Treaty Division of the Federal Communications Commission.

gion 2 section of the Conference was concerned with radio-communication problems in the Western Hemisphere as they relate to world-wide communications. This phase of the Conference represented one of a series of regional conferences provided for under the Atlantic City telecommunication convention, 1947, to formulate regional frequency assignment plans for all users of the radio spectrum. It also dealt with specific problems of the allotment of exclusive HF (high frequency) frequencies for aeronautical radio communications in the Western Hemisphere. This portion of its deliberations was one of a series of regional meetings requested by the first session of the International Administrative Aeronautical Radio Conference (IAARC) for the determination of specific regional aeronautical frequency requirements.

Inter-American Radio Agreement. The new inter-American radio agreement will replace the Santiago agreement of 1940. It includes a regional plan for the allotment of radio frequencies to bands of services for the entire Western Hemisphere. The plan covers assignments of aeronautical, maritime mobile, standard band broadcasting, tropical broadcasting, and amateur services in the portion of the radio spectrum from 10 to 4000 kc. It is the first radio-frequency assignment plan to be completed for any region of the world under the provisions of the international radio regulations of Atlantic City, 1947. Its adoption is regarded as an important step forward in world-wide efforts, under the auspices of the International Telecommunication Union, to effect an orderly registration and utilization of frequencies throughout the radio spectrum.

Attached to the inter-American radio agreement is a strong declaration reaffirming the principles of freedom of radio communication for the American region. It is intended that consideration be given to including such of these principles as are

appropriate in the provisions of the next inter-American telecommunication convention. The Conference also adopted resolutions covering the interchange and retransmission of radio broadcast programs and the reaffirmation of the resolution adopted by the Inter-American Telecommunication Conference, Rio de Janeiro, 1945, on liberty of information in radio communications. These measures are designed to assure in radio expression the same effective guarantees as the press enjoys.

ITU Region 2 Regulations and Resolutions. The International Telecommunication Union Region 2 regulations and resolutions include a plan for the allocation of certain frequencies to bands of services in the Western Hemisphere. The plan coincides with the one included in the new inter-American radio agreement and will form the basis for the incorporation of American region station lists in the Master International Frequency List, which will be prepared at a special administrative conference of the International Telecommunication Union some time this fall.

ITU Region 2 Report to IAARC. The plan for the assignment of aeronautical mobile frequencies in Region 2 will be presented to the second session of the International Administrative Aeronautical Radio Conference, which is now meeting in Geneva to formulate a world-wide aeronautical radio frequency plan.² The unanimous adoption of an aeronautical frequency allotment plan for the exclusive HF aeronautical mobile frequencies for Region 2 is regarded as a major accomplishment of the conference. It is a real step forward toward increased safety of human life in aircraft. Representatives of the International Civil Aviation Organization collaborated in its preparation.

The conference as a whole was characterized by harmony and unity of purpose and a genuine willingness to compromise—a necessary prerequisite for productive international meetings in this field. It is a concrete demonstration of the spirit of co-operation on telecommunication matters in the Western Hemisphere. At the invitation of Uruguay, it was decided to convene the fifth Inter-American Radio Conference in Montevideo 15 days after the next world-wide telecommunication conference to be held in Buenos Aires in 1952.

SOUTH PACIFIC COMMISSION RESEARCH PROGRAM 1949-50

The South Pacific Commission is a consultative and advisory body established in 1948 by the Governments of Australia, France, the Netherlands, New Zealand, the United Kingdom, and the United States to encourage and strengthen international cooperation by promoting the economic and social welfare and the advancement of the peoples of the non-self-governing territories in the South Pacific region administered by these governments.³

The main auxiliary body of the Commission is the South Pacific Research Council, which held its initial meeting in April-May 1949 and which will meet annually hereafter. The Research Council consists of the deputy chairman of the Council, three specialist members representing the

fields of health, economic development, and social development respectively, and a number of associate members chosen for their special knowledge of the problems of the area. The chief task of the Research Council is to advise the Commission on what investigations are necessary and with the assistance of the Secretary General to make the necessary arrangements for carrying out studies approved by the Commission.

The third session of the Commission took place for the first time at its permanent headquarters at Nouméa, New Caledonia, May 7-17, 1949. At this meeting, which followed the first meeting of the Research Council, the Commission was so impressed by the realistic approach of the Research Council's proposals to the aims of the Commission that the draft program was adopted with only slight variation. The Commission approved 29 projects recommended by the Research Council designed to further the purposes of the South Pacific Commission. These projects are briefly summarized below.

HEALTH

Project H. 1.—Project for improving, extending and speeding up the collection and dissemina-

² The first session of IAARC was recessed last summer because of insufficient information on specific regional aeronautical frequency requirements to proceed with the formulation of a world-wide plan.

³ A report by Emil J. Sady on the South Seas Conference at which the preparatory work for the establishment of the South Pacific Commission appears in the BULLETIN of March 16, 1947; the record of progress of the Commission during its initial year by Dr. Felix M. Keesing, the Senior United States Commissioner, is published in the BULLETIN of July 4, 1949, p. 839.

tion of epidemiological intelligence in using temporarily the facilities of the South Pacific Health Service in Suva. The adoption of the project was made subject to the concurrence of the Inspector-General of the South Pacific Health Service. Project for standardization of the Quarantine Regulations.

Project H. 2.—Research in the preparation of suitable infant food during the weaning period; food to be prepared safely in a village community from the usual staples and accessories.

Project H. 3.—Appointment of a special team to compare

(i) the different antigens and methods used in tuberculin tests.

(ii) the radiographic appearances in different races at different ages,

with a view to producing simple techniques suitable for use under field conditions. The Senior Commissioners for the United Kingdom and the United States reserved their decisions.

Project H. 4.—Establishment of liaison between the various field groups actually working on filariasis and elephantiasis problems and research to determine further the specific investigations needed on these diseases.

Project H. 5.—Collection of the existing data on diet and nutrition of communities and of individuals.

ECONOMIC DEVELOPMENT

Project E. 1.—The introduction of economic plants from without the Area or transfer from within for study and improvement in special gardens and arboreta looking to improvement, saving and availability of such plants for distribution.

Project E. 2.—Review and summary of the information on cash crops to make available the accomplishments in production, cultural and processing techniques, and their place in Area economy, with an estimate for the future of cacao, rice, the coconut and its principal product, copra.

Project E. 3.—Improvement in tropical pasture grasses leading to improved animal nutrition and associated mixed farming to the end of broadening and raising standards in human diet and nutrition.

Project E. 4.—Preliminary to a general land-use project in connexion with conservation of resources, a pilot land-use survey is to be undertaken to point the way in the establishment of hydrological and forestry reserves, erosion control, identity of crop and pasture lands and possibly soil classifications. Adoption made subject to reconsideration of location.

Project E. 5.—An attempt by co-operative agreement to secure Area standards in the grading and quality of plant products to the end of improve-

ment in quality and a protection of grower, shipper, carrier and buyer in transactions involving perishable or semi-perishable plant products. Adoption made on understanding that it referred to all agricultural products.

Project E. 6.—A study of atoll and low island economy, designed to improve cash and subsistence crops and handicrafts to widen commercial opportunity and provide greater security for island peoples.

Project E. 7.—A study of fishery methods in their many indigenous and commercial aspects. The Indo-Pacific Fisheries Council will be asked for guidance in the several divisions of fishery improvement.

Project E. 8.—An examination of diet of indigenous peoples with the objective of amplifying it; and the study of the kinds of working tools needed for mechanical skills, both with the aim toward better subsistence economies.

Project E. 9.—The expansion of biological controls by cooperative and other means, to effect the control of the mosquito, of insect pests that attack economic plants, of weeds, and to develop plant hygiene and extend rodent control.

Project E. 10.—A proposal to discover ways of making available commercial credit for the development of agricultural, industrial and commercial enterprises, in the hands of indigenous peoples.

Project E. 11.—Co-operative acceptance of the proposed World Food and Agriculture Organization plan to carry out an agricultural census in 1950.

Project E. 12.—Solicitation of favourable consideration by the authorities of the Colonial Development Fund for certain new research projects to be carried out by the Fiji and Western Pacific Research Council.

Project E. 13.—Request directed to Member Governments for a statement of the principal research investigation now in progress or contemplated by their recognized institutions, particularly in the field of animal husbandry and all technical aspects of land-use having implication to the Area of the South Pacific Commission.

SOCIAL DEVELOPMENT

Project S. 1.—A survey of the facilities for professional and technical training in the South Pacific, with a view to future development.

Project S. 2.—The use of visual aids in education among island peoples.

Project S. 3.—A study of the most suitable techniques for teaching literacy in the Area.

Project S. 4.—The convening of a Conference of Educationists, to study educational needs and problems in the various territories.

Project S. 5.—A review of research in social anthropology, with emphasis on what still needs to be done.

Project S. 6.—A survey of work done and still required in the field of linguistic research.

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Project S. 7.—The co-operative movement in the South Pacific and its development.

Project S. 8.—The determination of the most suitable building types for the various climatic zones and conditions in the Area.

Project S. 9.—Pilot projects for community development in two selected areas.

Project S. 10.—The preservation of archaeological sites.

GENERAL

Project G. 2.—Statistical Service.

The Commission resolved that, for the adequate performance of the work of the Commission and the Research Council, expert statistical assistance

will be necessary. For the time being action is to be limited to the appointment of a qualified statistical officer.

A modest but comprehensive program of active work of collaboration in the welfare of island peoples has thus been undertaken. The implementation of the Work Program is supervised and coordinated by the deputy chairman of the Research Council, Dr. L. G. M. Baas Becking, and the work in the three fields is directed by permanent members of the Research Council: Health, Dr. E. Massal; Economic Development (including agriculture), Dr. H. G. MacMillan; Social Development (including education), H. E. Maude. The entire program is under the direction of William D. Forsyth, Secretary General of the South Pacific Commission.

U.S. Delegations to International Conferences

Telecommunications Revision Meeting

The Department of State announced on August 8 the United States delegation to the Conference for the Revision of the Bermuda Telecommunications Agreement of 1945, scheduled to convene at London, August 8, 1949. The United States delegation is as follows:

Chairman

Wayne Coy, Chairman, Federal Communications Commission

Vice Chairman

Trevanian Henry Ernest Nesbitt, Assistant Chief, Telecommunications Division, Department of State

Advisers

Harold J. Cohen, Assistant General Counsel, Chief of the Common Carrier Division of the Bureau of Law, Federal Communications Commission

John R. Lambert, Chief of Tariffs-Telephone Rates Branch, Bureau of Accounting, Federal Communications Commission

Marion H. Woodward, Assistant Chief Engineer, Chief of the Common Carrier Division of the Bureau of Engineering, Federal Communications Commission

Industry Advisers

Thomas J. Allen, European Director of Communications, United Press

A. L. Bradford, Vice President and General European Manager, United Press

James A. Kennedy, Vice President and General Attorney, American Cable and Radio Corporation

Thomas D. Meola, European Representative, RCA Communications, Inc.

K. Bruce Mitchell, Director, The Western Union Telegraph Company

John H. Muller, Assistant to the Executive Vice President in charge of Operations, RCA Communications, Inc.
Haraden Pratt, Vice President, American Cable and Radio, All American Cables and Radio, The Commercial Cable Co., Mackay Radio and Telegraph Co.

The Bermuda agreement, which was signed in 1945 by six countries of the British Commonwealth of Nations—Australia, Canada, India, New Zealand, the Union of South Africa, and the United Kingdom—and by the United States, involved the operational and rate aspects of radio-telegraph communication, between the signatories. Since this agreement has been in force, increases in wages and operational practices have altered the basis for the rate features of the agreement. Because of this and the fact that changes will undoubtedly be effected as a result of the recent International Telecommunication Union Administrative Conference to Revise the International Telegraph and Telephone Regulations, held at Paris, the parties to the 1945 Bermuda agreement decided to meet again to revise the rate aspects of that agreement.

In addition to seven of the original parties to the agreement, the United Kingdom has invited Ceylon and Pakistan to participate in the forthcoming meeting.

Conservation and Utilization of Resources Conference

The Department of State announced on August 11 that the President has approved the nomination of Julius A. Krug, Secretary of the Interior, as chairman, and Charles F. Brannan, Secretary of Agriculture, and Charles Sawyer, Secretary of

Commerce, as members of the official United States group of participants to the United Nations Scientific Conference on the conservation and utilization of resources. The conference is scheduled to be held at Lake Success, New York, August 17-September 6, 1949. Other members of the official United States group are as follows:

Wilson Compton, President, the State College of Washington, Pullman, Washington
 Joseph D. Coppock, Adviser, Office of International Trade Policy, Department of State
 Paul D. Foote, Executive Vice President, Gulf Research and Development Company, Pittsburgh, Pennsylvania
 Carl N. Gibboney, Deputy Director, Commodities Division, Office of International Trade, Department of Commerce
 Arthur Goldschmidt, Special Assistant to the Secretary, Department of the Interior
 Charles S. Johnson, President, Fisk University, Nashville, Tennessee
 Arville I. Levorsen, Dean, School of Mineral Sciences, Stanford University, Stanford, California
 Fairfield Osborn, President, The Conservation Foundation, New York, New York
 Mrs. Clifford Pinchot, Washington, D.C.
 Charles J. Potter, President, Rochester & Pittsburgh Coal Company, Indiana, Pennsylvania
 Frank J. Welch, Dean, College of Agriculture, Mississippi State College, State College, Mississippi
 Gilbert F. White, President, Haverford College, Haverford, Pennsylvania
 Ralph R. Will, Administrative Officer, Office of the Secretary, Department of Agriculture

Public Relations Officer

Carlton Skinner, Special Assistant to the Secretary, Department of the Interior

Secretary of the Official United States Group

Basil Capella, Division of International Conferences, Department of State

Personal Secretary to the Chairman

Margaret Ramsey, Department of the Interior

This official group will coordinate United States participation in the Conference which will be attended by approximately 200 scientists, engineers, resource technicians, economists, and other experts from this country.

The Conference is to be devoted to an exchange of ideas and experience on the techniques of resource conservation and utilization, their economic costs and benefits and their interrelations. Six general subjects: mineral resources, fuel and energy, water, land resources, forests, and wildlife, fish and marine resources will be discussed. The Conference will have no policy-making responsibilities, and it will not bind governments nor will it formulate recommendations to them.

In addition to the sessions of the Conference at Lake Success, there will be a post-conference field study trip sponsored by this government. The purpose of the trip is to enable experts from

abroad to observe and study industrial and government projects and methods of conservation and utilization of resources throughout the eastern part of the United States. The trip starting from New York will proceed through Pittsburgh, Columbus, the Tennessee Valley area, the Washington, D. C.-Beltsville, Maryland area and return to New York. At Pittsburgh, Columbus, and the Washington, D. C.-Beltsville, Maryland area, several local field trips to projects covering different phases of the agenda will be available to the participants depending upon their specific interests.

Road and Motor Transport Conference

The Department of State announced on August 9 the United States delegation to the United Nations Conference on Road and Motor Transport, scheduled to convene at Geneva, August 23, 1949. The members of the United States delegation, most of whom will sail on the *Queen Mary*, August 12, are as follows:

Chairman

Henry Hagans Kelly, Assistant Director, Office of Transport and Communications, Department of State

Vice Chairman

Herbert S. Fairbank, Deputy Commissioner of Public Roads, General Services Administration

Delegates

Michael C. Connors, President, American Association of Motor Vehicle Administrators

Charles A. Horan, Bureau of Customs, Department of the Treasury

John H. Hunt, Consulting Engineer, American Automobile Manufacturers Association

Serge G. Koushnareff, Acting Chief, Division of Transportation, Department of Commerce

Edward G. Sparrow, representing the American Automobile Association, and the American Automobile Touring Alliance

Advisers

John Martin Cates, Jr., Division of United Nations Economic and Social Affairs, Department of State

Douglas M. Clarke, Road Transport Adviser, United States delegation to the Economic Commission for Europe

John Warner Foley, Jr., Office of the Legal Adviser, Department of State

Clarence F. Rogers, Highway Engineer, Bureau of Public Roads

Assistant to the Chairman

Mrs. Doris Whitnack, Department of State

The Road and Motor Transport Conference is being held primarily for the purpose of preparing a new world treaty on the international movement of motor vehicles, as a means of facilitating international automobile touring and other forms of traffic. The conference is expected to last 3 weeks and will be attended by most of the nations of the world.

Department of State Bulletin

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For several months the agencies to be represented on the United States delegation, and numerous other interested groups, have been studying a draft convention prepared by the United Nations. The United States position on this draft, which will form the basis for the delegation's work at Geneva, embodies the recommendations of many State governments, of Federal departments, and of private organizations concerned with motor transport, automotive manufacturing, and highway safety.

The principal items in the proposed treaty relate to identification of a vehicle and its driver, facilitation of customs procedure, a few basic safety rules, and certain technical requirements. Its scope is limited to the operation of private vehicles, excluding commercial bus and truck operations.

The proposed treaty is applicable only to international traffic and does not affect domestic traffic, which remains within the boundaries of the home country. From the standpoint of the United States, the advantage of becoming a party to a world treaty of this kind is that it will provide legal status for United States motorists and their vehicles when motoring abroad, and thereby facilitate their travel in foreign countries. At present, such status is enjoyed by United States motorists only in the Western Hemisphere, under the provisions of the Inter-American Convention on Regulation of Automotive Traffic, to which the United States became a party in 1946.

the Ninth International Conference of American States (held at Bogota, in 1948) which pertain to conventions on civil and political rights of women and to economic conditions of working women in the Americas.

Organized in 1928, the Inter-American Commission of Women is the oldest intergovernmental group responsible for improving the status of women. Each of the 21 American Republics is represented on the Commission by one official delegate. The Organic Statute of the Commission, adopted at the Bogota conference, defines it as "a permanent entity attached to the General Secretariat of the Organization of American States". Its headquarters are at the Pan American Union in Washington, D.C.

The last meeting of the Commission, the fifth assembly, was held at Washington in December, 1946.

U.S. Educational Commission Established In France

The Department of State announced on July 29 that the United States Educational Commission, established in France under the terms of the Fulbright Act, has appointed Dr. William A. Shimer, as executive officer, with headquarters in Paris. The Commission is responsible for carrying out the Fulbright program, which may involve an annual expenditure of \$1,000,000 in francs for educational exchanges between the United States and France.

Mary M. Cannon To Attend Inter-American Commission of Women

[Released to the press August 8]

Mary M. Cannon, Chief of the International Division, Women's Bureau, Department of Labor, will attend the special assembly of the Inter-American Commission of Women, which, at the invitation of the Argentine Government, is scheduled to be held at Buenos Aires, August 8-22, 1949. Miss Cannon has been the United States delegate to the Commission since April 8, 1944, when the President approved her appointment to succeed Mary Winslow.

The purpose of the Commission is to extend the civil, political, economic, and social rights of the women of the Americas. In addition to the revision of the internal regulations of the Commission and the election of a chairman, vice chairman, and members of the Executive Committee, the forthcoming meeting will consider and propose means for carrying out the resolutions adopted by

Customs Union Annexes—Continued from page 248

direct negotiation shall be decided by arbitration in accordance with a procedure to be laid down in each case by mutual agreement.

Article 18

The present Treaty, which is drawn up in two copies, one in the French language, the other in the Italian language, shall be ratified in accordance with the constitutional rules in force in each of the two States.

It shall come into force on the date of exchange of ratifications.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty.

Done at PARIS, 26 March 1949

For France:
R. SCHUMAN

For Italy:
C. SFORZA

[Signed at Paris, 26 March, 1949]

THE RECORD OF THE WEEK

Practical Effects of Proposed Military Assistance

Statement by Secretary Acheson¹

The Senate, in approving the ratification of the North Atlantic Treaty by a decisive vote, has made a contribution of incalculable importance to the preservation of world peace and the strengthening of the institutions of freedom. I need not dwell here on the far-reaching effects which this action will have in world affairs. The members of these two Committees are thoroughly familiar with that aspect of the matter, as well as all others pertaining to the treaty.

I should like to deal at this time with the Military Assistance Program, which I am convinced is the next essential step we should take in carrying forward the positive and vigorous action the United States is taking in cooperation with other free nations to assure peace and stability in the world.

Since the end of World War II, the free peoples of the earth have been undergoing an ordeal scarcely less exacting than war itself. The nature of the struggle is different, but the issue is exactly the same—the survival of free nations with their integrity and independence inviolate.

The peoples of the free European nations have met this new test with courage and resolution and a higher degree of unity than ever before attained in times of peace. Aware that the common danger could be overcome only by common action, they have joined forces in a sustained and concerted effort for the preservation of world peace and their own liberties. I think it can be said with confidence that the low point of their fortunes has been

¹ Made before the Senate Foreign Relations and the Armed Service Committees on Aug. 8, 1949, and released to the press on the same date. For previous testimony by Secretary Acheson, by Ambassadors Douglas and Grady before the House Foreign Affairs Committee, and the President's message to the Congress, see BULLETIN of Aug. 8, 1949, p. 186, and Aug. 15, 1949, p. 229.

passed, but further great exertions are required to maintain the forward movement with undiminished force.

The scope and variety of this effort are without precedent in human affairs. This is necessarily so because of the complexity of the problem to be met, which is part economic, part political, and part military. All the parts are interrelated and interacting. Concentration upon one to the neglect of the others might well be fatal. The various measures undertaken to deal with different aspects of the situation must make an ordered and cohesive whole.

The United States is the leader and chief source of strength of the free world, and therefore we have special cause to measure the effects of any proposed action in international affairs against the effects on our basic strength.

With respect to Europe, primary emphasis has been placed upon the revival of the economies of the free nations as the necessary foundation of their social structure and political organization. The European Recovery Program has in fact achieved a gratifying degree of economic rehabilitation. It also has produced salutary results in the form of greater political stability and renewed confidence in the future.

Yet it has become increasingly clear that economic measures alone are not enough. Economic recovery itself depends to a considerable degree upon the people being inspired by a sense of security and the promise of the future to put forth their best effort over a long period. This sense of security and faith in the future in turn depend upon a firm belief in the ability of the free nations to defend themselves against armed attack. Such a belief is notably lacking in Western Europe today. Therefore, the capacity of mu-

tual self-defense on the part of the free nations of Europe must be increased, largely by their own effort, without impeding progress toward economic recovery. We must not now by failing to recognize fully the fear of security which is growing out of the clear pressures exacted from the East, lose the gains already made. Prompt action is imperative to create the conditions that will allay that fear and will erase the conditions that might encourage an aggressor to resort to military force.

It is for these reasons that the European Recovery Program, the North Atlantic Treaty, and the proposed Military Assistance Program are elements of a broad and soundly conceived policy with definite and attainable objectives. Two of the pillars are in place. Favorable action on the Military Assistance Program is vitally necessary now as an essential element of the structure.

One of the basic premises for such action is the existence of a very real and very strong community of interest between this country and the free nations of Western Europe. In addition to other considerations, this common bond is a recognition of the demonstrable truth that the security of the United States and the security of Western Europe are one and the same thing and in fact are indivisible. The treaty which we have just ratified is the formal acknowledgment of a relationship that has long existed in fact—the mutual dependence of the members of the Atlantic community.

The nations of Western Europe, with the exception of Great Britain, were virtually disarmed as a result of enemy occupation during the war. They have begun to rebuild their defenses but have made barely a beginning, because the greater part of their effort has properly gone into economic recovery. Meanwhile, the Soviet Union has continued to maintain the largest armed forces in the peacetime history of any country, has substantially expanded the areas under its control, and has used, or attempted to use, its obvious military superiority to intimidate and coerce smaller nations. The serious imbalance of military strength in postwar Europe has exposed the nations of Western Europe to the constant danger of aggression and has created a widespread sense of insecurity which has impaired confidence in the future and impeded the recovery effort.

What is the meaning of this situation for our own country? It is important that the American people fully realize the extent to which the circumstances I have outlined have radically altered the security position of the United States. In both of the two World Wars in which we have engaged, our allies in Western Europe were relatively strong—in fact, at the outset they possessed more military power than the United States.

They grappled first with the enemy and fought the early stages of both wars with comparatively little help from us. In each case, only after a period of intensive training and rearming were we able to throw our full weight into the struggle and tip the scales on our side.

The first line of defense is still in Europe, but our European allies today do not have the military capacity to hold that line. The shield behind which we marshalled our forces to strike decisive blows for the common cause no longer exists. In that sense, the United States is open to attack on its own territory to a greater extent than ever before.

But in a broader sense this weakness in the front line of defense in Europe produces not only strategic dangers to our own country—it increases the danger of war itself. In and of itself it is an invitation to aggression and hence a threat to the maintenance of peace. The dictators of recent times have become involved in war, when, in their belief, their intended victims would fall easy prey without substantial risk to the aggressor. The strengthening of the defenses of Western Europe is designed to prevent a repetition of the tragic consequences of such dangerous self-deception. Its first objective, like that of the North Atlantic Treaty, is peace.

Thus, history and common sense dictate the wisdom that the preservation of peace and of our own security is immeasurably advanced by the strengthening of Western Europe to resist aggression. The North Atlantic Treaty, reflecting this wisdom, is based on the concept of the common and collective defense of that area by the member nations. This purpose is in turn advanced as the members progressively become more able to play their parts in collective action.

The treaty does not contemplate that one nation undertakes the defense of the area, but that all do. The nations of Western Europe have every desire to play their full part. Their peoples passionately want to avoid the indignities and suffering of another occupation. They know only too well that, even though they might be subsequently liberated, they might never recover from the destruction of their free institutions and the shattering of the very foundations of their civilization. They want to be able to defend themselves if attacked and to be able to hold the aggressor at bay until we can come quickly to their aid. They can realize this purpose only if they actually possess adequate defense forces in being, not planned on paper for some future date or concentrated three thousand miles away on this side of the Atlantic. Both the will to fight and the ability to fight in Western Europe will be perceptibly increased by the provision of the means with which to fight.

To accomplish this fully will take time both to develop the necessary plans and to carry them out. The effectiveness of this will be greatly strengthened through the coordination made pos-

sible by the North Atlantic Treaty. Article 9 provides for the establishment of a Council on which all members of the treaty will be represented. The Council will appoint a defense committee charged with making recommendations for implementing the military clauses of the treaty. It is expected that this will result in the development of integrated defense plans for the North Atlantic area. Each member will be assigned specific duties and functions as part of the over-all plan. This will result in a logical and practical division of labor which will produce greater effectiveness and greater economy of effort and expenditures.

This is the beginning of a process with far-reaching implications. The principle of common defense is the basis of the present program. General Bradley has already described the strategic factors underlying the broad concept that dictates the division of responsibilities among these nations. The nations of Western Europe no longer plan to maintain complete, balanced defense establishments on an individual basis. Instead each will specialize in the kinds of forces and the production of weapons for which it is best suited and which will fit into a pattern of integrated defense. The program proposed now is based on that pattern of integrated defense.

The practical application of this principle will ultimately bring into being a defensive strength far more effective than the sum total of what the member countries might be able to achieve individually, and at a considerable over-all saving. This concept is of particular interest to the United States as promising not only a revitalized defense force for Western Europe, but also one which the Europeans in time can support without further direct assistance from us. But all this will not come about overnight. The carrying out of such a principle is unprecedented in peacetime, and will require time, patience and much hard work before it can be fully realized.

But at the moment, the urgent and pressing need is to strengthen with essential equipment the existing and presently authorized forces in Western Europe which are the foundation upon which all planning and development must build. That is the purpose of the present bill and the present program. It is to enable the builders to build upon something real.

It is for this compelling reason that the proposed Military Assistance Program is being urged for adoption at this time, both for its immediate effects and for the practical basis it will provide for the development of the full details of an integrated defense. The arms to be supplied under the proposed program will serve at least in part to meet the present dire need of the European recipients in making their existing and presently authorized forces effective. They will become the nucleus around which effective detailed plan-

ning for the defense of the area can be realistic.

Much will be gained and nothing will be lost by extending this military assistance now. The allocation of equipment and materials is based upon the minimum requirements of the North Atlantic community as a whole. The distribution has been carefully planned by the representatives of the United States working with full knowledge of the collective deficiencies of the defense forces in Western Europe.

These basic requirements of the presently authorized defense forces of Western Europe are apparent today. They are indispensable for this purpose and they are valid whatever form future plans may take. Therefore, it is possible now to place the weapons and materials where they are needed. Under the proposed program—and I think this is of paramount importance—the planes, tanks, guns, and other equipment provided will be placed without delay, ready for use if necessary, in the hands of the men who would be called upon to handle them in the collective defense. Many months will be saved by following this procedure. Since the present weakness invites the danger of war and since future planning cannot impair the validity of this program, it would be foolish to risk the possible consequences of delay.

The strongest proof that the Military Assistance Program now before the Congress fully accords with the purposes of the North Atlantic Treaty and is in fact urgently needed to achieve its purposes is the attitude of the other members of the pact. The Western European members clearly recognize that their chances of preventing aggression, or of repelling aggression if it comes, rest on the concept of collective preparation and collective action. The compulsion to unite in organizing an integrated defense for the Atlantic community is even stronger on their part than on ours, because of their exposed position and military weakness.

The Brussels treaty countries have already set up a centralized defense group which is actively coordinating the unitary defense plans of the members. They already have a single staff organization to develop and effectuate the common defense plan. They and the other European members of the North Atlantic pact are eager to join in the larger effort of planning the collective defense of the Atlantic community. But they well know that no amount of planning, without an equipped force upon which to build, can be more than a paper defense. As an indispensable preparation for giving substance to those plans, they have urgently requested arms from the only source open to them—the United States. They strongly feel that rebuilding their present forces, by their own efforts supplemented by ours, is the first essential for making the North Atlantic Treaty a truly effective force for peace.

They are, in fact, already making strenuous exertions on their own behalf. They are currently spending the equivalent of about 5.5 billion dol-

lars annually on their defense establishments—a sum approximately five times as large as the amount proposed for allotment to them under the Military Assistance Program. Their collective defense expenditures bear approximately the same ratio to their total national incomes as do our own.

We must never forget that we are dealing not with abstractions, but with people. Our allies in Western Europe are human beings, with human hopes and fears. Because of the constructive and productive efforts which we and they have put forth together in recent months, their hopes today are greater than their fears. We must keep their hopes in the ascendancy.

Under the proposed legislation, the United States would meet this situation by authorizing the President to supply military assistance heretofore requested by nations which have joined with us in the North Atlantic Treaty for purposes of collective defense, on the basis of self-help and mutual aid. The amount of assistance proposed for these nations is approximately 1.1 billion dollars for the period ending June 30, 1950. Our aid, as I have pointed out, will supplement what these countries are doing for themselves and for each other. Witnesses from the government agencies concerned, who have worked out the details of the program, will give you the exact nature of the aid to be provided in the form of equipment and materials and will give you in detail the active program of self-help and mutual aid already in operation in Western Europe. But no matter how willing these nations are, they cannot rebuild their defenses without our help, because many of the vital things they need can be bought only with dollars, which they do not have. Moreover, too great an exertion for defense preparations would reduce the effectiveness of the recovery effort.

Part of the dollar aid we alone can provide can be used to increase military production in Western Europe, however, without retarding economic recovery. Certain facilities for military production not in use now because of the lack of tools or materials that must be bought with dollars can be activated and manned by labor that also is available, if the critical equipment and material are supplied. The present allocations in the Military Assistance Program include 155 million dollars to enable the European countries to increase their military output in this way. It is estimated that as a consequence of this help, they will be able through their own efforts over a 2-year period to augment their military production by the equivalent of 700 million dollars of military equipment without adversely affecting the recovery effort.

One effect of this procedure will be to reduce the amount of aid required from this country in the future. Future requirements of military assist-

ance to the European countries also will be reduced by the supply, under the program now recommended, of many capital items that will not have to be renewed in peacetime.

I cannot attempt to predict at this time, however, how long we may need to continue some military assistance to the European members of the pact. Many variables, over which we have little control, are involved, such as the rate of economic recovery, the imminence and extent of the aggressive threat, and strategic considerations and developments in the art of warfare.

It is also proposed to continue aid to the Greek people in their gallant resistance to the attempt of a Communist-led minority to overthrow by violence the legally constituted government. The prospects are now good that the campaign against the guerrillas may soon be successfully concluded. We also intend to assist the Turkish people in resisting heavy Soviet pressure. An amount of \$211,370,000, is requested for this aid to Greece and Turkey for the period ending June 30, 1950.

The remainder of the funds requested in the amount of \$27,640,000 would enable us to help strengthen the defenses of certain other free nations exposed to danger. We propose to grant assistance to the Republic of Korea, where a government established as a result of free elections under the auspices of the United Nations is menaced by the threat of internal subversion and external force. We propose to aid Iran, which has been under insistent Soviet pressure and to which we have supplied limited military assistance and sent two military missions. We propose to continue military aid to the Philippine Republic, as originally undertaken under the act of June 26, 1946.

In addition to aid in the form of grants, the legislation before you would authorize the President to provide procurement assistance to countries which have joined with us in a collective defense and regional arrangement. Before any such contract is entered into, any such country would make available to us the full cost of such procurement. Thus there is no cost to us, nor any risk of cost to us, in providing this assistance. This provision would enable us to assist the efforts of certain friendly countries, such as Canada and other American Republics, to increase their defensive strength, since it would facilitate their purchase of American military equipment. It would also assist us in achieving standardization of military equipment, one of the objectives of the collective defense and regional arrangements in which we have joined.

In considering all aspects of the Military Assistance Program, the special complexities of the problem should constantly be borne in mind. Although the countries to which we can furnish aid are limited to those specifically covered in the legislation before you, unforeseen emergencies, necessitating prompt and appropriate action, may arise at any time. It would not be wise to pre-

scribe too rigid a statutory framework for the execution of this policy. If the limitations were too stringent, the Executive might find that he was constrained from taking the very action which some expected situation demanded in the national interest. For this reason, some small degree of flexibility in determining the amount of aid to be furnished to authorized recipients is required.

The President is directed to terminate such assistance to any nation upon its request. He would be required to cut off such assistance when it is no longer consistent with our national interest or with our obligation under the United Nations Charter to refrain from aiding nations against which preventive or enforcement action is taken.

The legislation provides for centralized control of the program within this government. Overall direction would be exercised by the Department of State because of the intimate relations between military assistance and our foreign policy as a whole. The Department would work closely with the other government agencies concerned with the program; particularly the National Military Establishment and the Economic Cooperation Administration. The National Military Establishment, for example, would provide equipment from its stocks, military advice, and training assistance, and would procure the new items to be manufactured. The Economic Cooperation Administration would provide the proper coordination with the European Recovery Program and safeguard the priority of economic recovery against any tendency of the recipient countries to emphasize military production at the expense of recovery needs. To the greatest practicable extent, administration of the program abroad would be conducted through normal diplomatic and military channels, to ensure integration with the other overseas operations of our foreign policy.

I am convinced that this program is the most logical and effective way of dealing with a major problem which cannot be ignored or allowed to go unchallenged but must be recognized and met with firm and forthright measures. If the job of assisting the free nations to strengthen their defense against aggression is worth doing, it is worth doing well. When the stakes fundamentally at issue are our own freedom and security, I do not believe the American people will be satisfied to settle for half measures.

I think we can put this proposal in proper perspective by considering what its practical effects are likely to be.

First: Would it strengthen or weaken the security of the North Atlantic community? Western Europe is now an organism with a soft shell, and as such it invites attack from the predatory.

It must develop a hard shell of adequate defense forces to discourage such an attack. It is to our interest to hasten the growth of that protective device without weakening the economic health of Western Europe. The quickest way we can accelerate the strengthening of the defense mechanism of Europe without impairing its reviving economy is by sharing some of our own military strength. This will not lessen our own protective strength but in due course will increase it by putting the means of defense in the hands of our friends who are on the front line of possible danger.

A realistic understanding of the nature of the struggle being waged in Europe warns us that we must consider the ever-present possibility of aggression and take effective action to forestall it. Whatever the Communists may claim for the supposedly superior appeal of their ideology to the minds of men, the record shows that no Communist government has come to power in any country by the free choice of the people, openly expressed in an honest election. The pressure of the large military forces maintained in readiness at all times behind the Iron Curtain is the club in the closet of every Communist government in Europe, and there is little effort made to keep the weapon concealed.

The record also shows, notably in the cases of France and Italy, that if strength in the hands of democratic governments is resolutely and wisely used, they can prevent aggressive Communist minorities from seizing power by force. The military assistance proposed for Western Europe would go to governments which have already proved themselves capable of dealing with subversion. The further strengthening of their defenses would make them still less vulnerable to internal threats to their security and more capable of resisting aggression against their frontiers.

It is not intended that there should be maintained in Western Europe forces-in-being capable of defending all Europe against an all-out attack. But, it is essential to international peace and our own security that there be maintained in Western Europe forces sufficient to convince any would-be aggressor that he could not by quick marches gain easy victories.

Second: Would it strengthen or weaken the security of the United States? I have already indicated the reasons why I believe it is of paramount importance to the security position of this country to help recreate the defense capabilities of Western Europe. Events have proved that our national security requires the preservation of the independence and integrity of the free nations of Europe. Even though our defenses in this country may be strong, we are only partly protected as long as the European members of the Atlantic community are woefully weak. The transfer of some of our military potential to Western Europe, without weakening us at home, is a form of in-

surance which we can afford part of our major community, and can be precluded by the third: Would it strengthen or weaken the greatest capability that can intend into the The Military preclude nations under their own aggressive The M offensive aware that unlike their own desire know that world peace Assistance nations are. Fourth: Would it strengthen the principles of the present action of disputes of and prove know what collective continue policy in of the C It is the members of or collect primary security responsibility and well the inex and well what others It was which led and it is the lead set their elect, and be serious bring their peace. When

surance which is soundly conceived and which we can afford. It is simply common sense to shift part of our strength, which at the moment is the major element of strength of the Atlantic community, to the point where it may be needed first and can be used with quick effectiveness.

Third: Would military assistance strengthen or weaken the chances of world peace? The greatest danger to world peace today is the possibility that an aggressor, in an ill-considered attempt at easy conquest, might launch an attack on an intended victim which would draw other forces into the conflict and precipitate an all-out war. The Military Assistance Program is designed to preclude that possibility by providing free nations under pressure the means to defend themselves effectively and thus to discourage a potential aggressor from making the attempt.

The Military Assistance Program is wholly defensive in nature. The Soviet Government is aware that the peoples of Western Europe, who, unlike the Russian people, have a voice in their own destinies, earnestly desire peace. We all know that there is one major source of danger to world peace today. The purpose of the Military Assistance Program is to help protect the free nations against the danger from that source.

Fourth: Would the Military Assistance Program strengthen or weaken the United Nations? The primary objective of the United Nations is the preservation of world peace by the collective action of nations which agree to settle their disputes of pacific means, according to the principles and provisions of the Charter. Again, we all know which nation has frustrated the search for collective security in the United Nations and has continued to use force as an instrument of national policy in violation of the principles and provisions of the Charter.

It is the responsibility of the peace-loving members of the United Nations, acting individually or collectively as the need may require, to meet this primary threat to the principle of collective security realistically and unequivocally. It is their responsibility to demonstrate to any transgressor the inexorable necessities which make the safety and well-being of any one nation dependent upon what other nations may do.

It was this historic fact of interdependence which led to the creation of the United Nations, and it is against this broad current of history that the leaders of the Soviet Union have unhappily set their course. We shall stand in criminal neglect, and the ideals of the United Nations will be seriously jeopardized if we do not do all that we can, by both moral and material means, to bring home to these men the wisdom of leading their peoples toward world cooperation and world peace.

When the inescapable fact of interdependence is

clearly understood, and fully accepted, then we shall have a stronger United Nations in which every member will have genuinely renounced force as an instrument of national policy. The peace-loving nations of today are building the structure of that fuller cooperation. They never have accepted and never will accept the viewpoint that peace lies only on the far side of another war. It is a bitter commentary on our times that the most persuasive means to peace is an armed security. Yet, we are certain of our facts. The leaders of totalitarian states will cooperate when they are convinced that the free nations are too strong to be overcome by external aggression or internal subversion. We may hope that other arguments will move them to take their responsible places in the world community, but we dare not risk our homes and our lives on a wishful premise.

Until the collective security system envisioned by the founders of the United Nations is wholly effective, those members sincerely devoted to that principle should work together to accomplish the same purpose through regional arrangements and associations for collective self-defense. The Military Assistance Program is fully consistent with the provisions of the United Nations Charter, and by strengthening the free nations against the dangers of aggression will hasten the day when war will be abandoned as unprofitable by aggressors, as well as condemned as immoral by humanity itself.

Judged pragmatically by the existing conditions and needs of the world in which we live, the Military Assistance Program is a necessary and workable measure for the solution of a major problem of our time—the collective defense of peaceful nations against the known dangers of aggression.

Meeting of the Council of Europe

Statement by Secretary Acheson

[Released to the press August 12]

This government is gratified that the first meeting of the Council of Europe is being held. As we have repeatedly stated, we welcome any development which promotes constructive international integration. The mere fact that the Council has been established, although its powers are naturally limited, demonstrates that measures which until very recently were considered beyond the bounds of practical politics have come to be practical and have actually been taken. The election of Paul-Henri Spaak as its President gives the Council the leadership of a man who combines exceptional breadth of vision with highly practical statesmanship and augurs well for the Council's future.

Economic and Political Forces in Germany

Statement by John J. McCloy, U.S. High Commissioner for Germany¹

Being here on a rather hurried trip in connection with certain administrative problems in Germany which arise out of the impending transfer of authority from Military to Commission Government, I have been asked to give you some impressions I have gathered from my relatively short stay there.

Many who have been in Germany have reported to the American people their impressions. American correspondents and commentators are daily reporting on conditions in Germany. I do not know that I can add much to the picture they have already given you.

There are many evidences that the American people sense the play of great forces about Germany today and are fully aware of the deep significance to the United States of the future development of that country. Too often forces generated in Germany have deflected the people of the United States from their normal peaceful pursuits. The memory of terrible brutalities inflicted on innocent people has almost become subconsciously associated with the mention of Germany and Germany's leaders in the minds of Americans. Incidentally, I have felt that many right-minded Germans still do not fully realize the mistrust which still pervades the world regarding their country. The result is a determination to remove permanently the menace of further German militarism and intolerance. At the same time, the American people have an enlightened and firm desire to see the German people repair their wounds and restore themselves to a useful and constructive position in the community of nations. As yet we have no peace treaty, and we have a divided country ruled by widely divergent motives. There are pulls and hauls of policy as a result of this situation, all of which can very rapidly be sensed after a very short stay in the country, yet Western Germany has very greatly progressed since the surrender. General Clay, my predecessor, has stated that the punitive

stage of our occupation of Germany has about ended. We are entering now upon a new stage. We are about to permit the people of Western Germany to set up a government of their own selection. In a few days an election to choose the legislators of the new state will take place, and shortly thereafter the new government will be formally instituted.

I have referred to the misgivings which remain in people's minds as to how the new Germany will devote itself to peace because I suppose that one question that I am most frequently asked in the short time since my return from Germany is whether I feel that there are signs of a dangerous revival of Nazism or Nationalism in Germany.

The related question which I am also frequently asked is whether the economic recovery of Germany is attended by any danger to the security of the Western European nations.

Let me attempt to give you my first impressions on both of these questions. First, as to the growth of Nationalism, certainly many people in Germany are growing more assertive than they have been at any time since the close of the war; there is more to eat, at least in the Western zone, and, as the fear of starvation and the shock of a total military defeat have receded, people are beginning to assert themselves more than they were disposed to when they were hopeless, hungry, and absorbed only in finding a living among the rubble. In spite of their defeat, the German people remain patriotic and the great majority of them feel imposed upon when they are blamed for what they consider to be the faults of others whose policies they are now prepared to disclaim. I do not believe Nazism as such is being revived; I do not believe that new leaders today would get far if they really attempted to resurrect Nazism or glorify Hitler. All that is too closely associated with defeat and disgraceful acts. There is another sign of a much more hopeful one. There is now, in Western Germany at least, a determined and strong group who are truly devoted to the concept

¹ Made over the Columbia Broadcasting System on Aug. 9, 1949, and released to the press on the same date.

of a peaceful nonaggressive Germany. There is a strong core of freedom-seeking people among the general population, and they have earnestly cooperated in the efforts made to democratize the country. They are to be found among the liberals, among labor, as well as among what the Communists love to call the "Bourgeoisie." All these would set their forces hard against the revival of any purely militaristic or Nazi cult. I would guess that they would not be easily overwhelmed by the old forces of militarism and Nazism.

Yet it is a fact that today, roughly speaking, about 30 percent of the more important positions in the government and industry are occupied by men who were formerly Nazi followers. This varies with localities, and my figures are very

inexact. Generally speaking, these men are not former activists though, here and there, they crop up still. The group I speak of is made up of followers, collaborators, people who were definitely and nonresisters to the Nazi regime; but in judging them, bear in mind that there were relatively few who did resist; bear in mind the old German concept of authority and blind obedience to all officials will and to the state, and the heavy penalties meted out for resistance; and bear also in mind that many who did resist are now dead. Out of the 45 million in the Western zone, there is no doubt that far more than 30 percent went along, so to speak, with Nazi domination.

Now, however, by our own rules, after having originally cleared out all Nazis, German Courts are trying the less virulent ones, and after the courts have cleared them whether by acquittal, by fine, or other punishment, the defendants are restored to civil activity. Until recently these people were ostracized entirely from such activities. They did not have the opportunity of participating in the political or industrial life of their communities. Since these clearances all occurred recently, it is natural that the large percentage of the newcomers in the field are of this class. I do not think this fact by itself is a bad omen. Indeed, it would be a bad omen, I believe, if all those who had been Nazi followers were permanently excluded from engaging in the normal activities of citizens. I am not speaking of the Nazis who committed acts of such a nature that their crimes must in all decency be requited, but these apart, we are coming to the time, and I think it is presently upon us, when we must test the German people more on their present disposition than upon what they did or did not do 10 or 15 years ago.

Now as to the matter of economic recovery; what I have seen of Germany in my first weeks of office contrasts vividly with what I saw in 1944 and 1945, when I was last there. Trade is moving, chimneys are smoking, and generally there is less shabbiness, less dirt, and less despair about.

The rather phenomenal growth of Germany's trade and production in the last year is something for which we should be deeply thankful. My fervent hope is that all this will last. There is no menace in recovery; there would be more than a menace if none occurred; but the recovery, phenomenal as it is, has left some severe problems in its wake—lack of capital funds for investment, unemployment, high prices—all these exist in spite of the upward production curves on the charts.

Germany has lost many productive territories—for example Silesia, the Saar, and East Prussia. The country itself remains divided, one part of which is heavily oppressed. The population in the Western zones has greatly increased as a result of the expulsions or flights from the Eastern territories. Although the production figures show 80 to 90 percent of the 1938 levels, we know that countries in Europe which have been able to get their production up to as high as 140 percent of 1938 are still in trouble economically. This leaves a wide gap indeed between the German level of production and what certain of Germany's competitors have attained.

If it is also significant that the exports of Western Germany are roughly estimated to be only 25 percent of what they were prewar. We should also bear in mind that there will be coal control boards, steel control boards, a Ruhr Authority, the Military Security Board, to mention only certain of the supervisory bodies. I believe with all this there is not much reason to fear that the revival of the present Western German economy will lead to a new German aggression. The essential security is our own resolution to act in timely fashion if and when we see real signs of German militarism returning. We must remember that it was not lack of knowledge of what Germany was doing in the Hitler days that held our hand; it was Allied irresolution.

QUESTIONS AND ANSWERS

Question. Have you any comment on the recent statements of German political leaders, which are critical of occupation authorities and occupation policies?

Answer. While I suppose one can expect some rather loose and indeed demagogic statements to be a natural phenomena of any political campaign, I must say that I am disappointed in the emphasis which seems to have been placed by certain political leaders in Germany on "pin-pricking" the occupation. With so many tremendous problems facing the new German Government, with all of the substantial issues which attend the formation of that government, and with the vital necessity for objective consideration of those problems and issues, one could reasonably hope that more time and discussion would be directed

to such matters. These leaders realize, even if the German people as a whole have not yet been fully made aware of the fact, that but for the forces of occupation and but for the treasures which are being poured into Germany in order to insure that the people are fed and well-maintained, their condition would be as precarious and miserable as it was in 1945. While no occupation is popular and I do not suppose any of the occupation authorities expect to be popular, the fact is that the occupation by the Western powers is assisting the German people to recovery and that it will last just as long as and no longer than we feel it is necessary to accomplish our objectives.

Question. There has been considerable question about the future status of Berlin due in part to announcements that there was to be some consolidation of Military Government personnel in Frankfort, the raising of the airlift, and the meeting of the Bonn legislature. Does this indicate that we are in any way abandoning Berlin or placing less emphasis upon our position there?

Answer. No. I am glad to be able to answer that question. If anything, I believe our position in Berlin is strengthened. The mere shift of some Military Government personnel for administrative convenience from Berlin to the Frankfort area has absolutely no relation to our policy in regard to Berlin.

We shall continue to maintain our forces and a strong staff in Berlin. General Maxwell Taylor, who in my judgment and in the judgment of many others is one of the finest officers in the United States Army, has been placed in command there. His record at the Bulge and in Italy should be eloquent of our determination to maintain our position in Berlin. I expect to maintain a residence and offices in Berlin and to be there frequently.

The airlift has diminished due to the size of the stockpile of food and supplies we have built up in Berlin. All installations are maintained so that within a short time it could operate again should it ever be necessary to call it forth.

We hope to assist our sector in Berlin to attain greater economic activity. This is difficult to accomplish, but I hope before long we shall be able to announce some measure of ECA assistance which will tend to help the city attain greater business activity.

Question. Now that the transfer from Military Government to Commission rule is contemplated, will there be any lessening of the security measures now in force in Germany?

Answer. Of course the Army will be maintained in Germany even though the form of ad-

ministration is changed from Military Government to Commission rule. The armed forces are distributed in Western Germany as they have been heretofore, and they will be maintained at their present high state of efficiency and alertness.

Question. What do you consider, Mr. McCloy, to be the great problems that you are faced with in Germany?

Answer. There are a number. I have already touched upon certain political and economic problems.

Another problem always before us is to remove the pall of fear of a new totalitarian domination of the country.

The distribution and assimilation of millions, perhaps of as many as 8 to 10 millions, of people expelled from eastern areas which now have to be taken care of in the Western zone, is another problem which seems at the moment almost to be insoluble.

And above all—the ever-present problem of so conducting the occupation that this indubitably great country composed of men and women of marked energy, intelligence, and culture can be a part of and play a leading and peaceful role in the reconstitution of Europe.

We cannot impose anything truly foreign upon another people. But Germany has in the somewhat distant past maintained a liberal tradition. It can do so again. What comes out of it may not be American, or English, or French—but there is enough sense of freedom and decency, I am sure, in the German people on which, given time, there can be built a healthy and peaceful state—a state which can take its proper place among the community of European nations.

John J. McCloy To Consult With ECA

[Released to the press August 2]

John J. McCloy, present United States Military Governor for Germany and United States High Commissioner, will return to Washington August 3 for consultation with top officials of the Departments of State and Army and the Economic Cooperation Administration to discuss certain phases of the transfer from military to civilian control of Germany. A mission of experts who have been in Germany studying the transfer problems is expected to return to Washington about the same time.

Mr. McCloy, who assumed his duties as United States Military Governor in Germany on July 2, spent the first 2 weeks of his new assignment on an extensive tour of the United States zone visiting installations and conferring with the chief occupation officials.

Upon the formation of the West German Government, control will revert from military to civilian administration with Mr. McCloy as United States High Commissioner.

Mr. McCloy plans to return to Germany before August 15.

Allied Kommandatura Restitution Law Announced

[Released to the press August 3]

A joint United States-United Kingdom-French announcement from Berlin states that the Allied Kommandatura of Berlin promulgated a new law for restitution of identifiable property to victims of Nazi oppression. The text follows:

The Allied Kommandatura of Berlin on 26 July 1949 issued an order providing for restitution of identifiable property to victims of the Nazi regime who, by reason of their race, creed, nationality or political belief, were wrongfully deprived of property between 30th January 1933 and 8th May 1945. The Kommandatura order, BK/O (49) 180, which has long been the subject of negotiations among the Western Occupying Powers in their efforts to secure restitution legislation in Berlin which can be tripartitely administered, completes the legal machinery necessary for restitution of property to Nazi victims in the areas of control of the Western Allies. Restitution laws promulgated by the respective military governments are already in effect in the three western zones.

The order is applicable only to the three western sectors of Berlin and affects only property which had a total value of 1,000 reichsmarks or more at the time it was taken from its rightful owners. Petitions must be delivered to the filing office in Berlin, specified in the order, by 30th June 1950.

Claims arising from war damages and injury of a personal nature, and claims which are not connected with the wrongful taking of identifiable property are not covered by the new legislation.

The order imposes a duty upon persons in Germany to report to the Treuhaender der Amerikanischen, Britischen und Franzoesischen Militaerregierungen Fuer Zwangsuebertragene Vermoegen, at Nuernbergerstrasse 53/55, Berlin W 30, any property or transfer of property of which they have knowledge, or any property which they may have had in their possession at any time since 30th January 1933, which falls within the scope of the order.

Copies of the order are being made available to the governments of all countries outside of Germany through their foreign offices. An earlier order of the Kommando-

tura, dated 16th February 1949, which provides rules for the filing of petitions now covered by the new restitution legislation, is likewise being made available to all countries. Nationals and residents of those countries are therefore urged to apply to their own governments for copies of these orders prior to submission of petitions to Berlin.

The newly announced order stipulates that all petitions for restitution in the western sectors should be filed, by the deadline of 30th June 1950, with a tripartitely administered agency serving the three sectors, and known as the Treuhaender der Amerikanischen, Britischen und Franzoesischen Militaerregierungen Fuer Zwangsuebertragene Vermoegen, at Nuernbergerstrasse 53/55, Berlin W 30.

More than 12,000 claims have already been received by that office from petitioners in all parts of the world. These have been placed on file, examined, and acknowledged to the petitioners. Many claims, sent by petitioners to the filing office of the respective occupying powers in the western zones have been forwarded to the Berlin Office. However, petitioners are advised not to rely upon earlier communications with the three military governments as effective filings under the newly announced order, unless their petitions have been submitted in conformity with the order (BK/O (49) 180) or unless they have been acknowledged as petitions by the respective military government or by the Treuhaender der Amerikanischen, Britischen und Franzoesischen Militaerregierungen Fuer Zwangsuebertragene Vermoegen in Berlin.

Persons who have submitted petitions with the Zentralamt Fuer Vermoegensverwaltung at Bad Nenndorf, in the British Zone of Germany, in conformity with British General Order number 10 are advised that these petitions will be regarded as having been filed pursuant to the Kommandatura order.

Non-residents of Germany are advised to nominate, when filing petitions, a person as agent within Germany, to receive service of all papers and notices which may be made pursuant to the order.

The restitution legislation will be administered by specially created restitution agencies and by courts of the city of Berlin. Provision is made for appeal from any decision of these bodies, direct to a board of review, which will be composed of members who are nationals of the three Allied Powers.

Property recovered under the restitution order will be subject to the same laws and regulations as other property of the same categories. For example, property owned by absentee owners will be subject to the same restrictions as other absentee-owned property, and may be removed from Germany only pursuant to the usual policies governing such matters.

Accounts due claimants will be paid in deutsche marks and no remittances of such funds outside Germany, or conversion into another currency will be possible until foreign exchange is generally available for such purposes.

Persons residing in the United States should direct their inquiries concerning this new legislation to the Department of State, Washington 25, D.C.

Relation of Private Investment to Point 4 Program

Statement by Under Secretary Webb¹

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: I appreciate the opportunity to appear before your Committee on behalf of the legislation designed to encourage the investment of American capital in those underdeveloped areas where this, together with a cooperative program of technical assistance, will result in improvement and growth. The bill before your Committee, S. 2157, authorizes an experimental program of governmental guarantees against those risks peculiar to foreign investment which under present circumstances retard capital investments in those areas where they are most needed. The President, in his inaugural address last January, outlined four courses of action which he believed the United States should emphasize in its international relations in the coming years. The first three points covered (1) continued support to the United Nations and related agencies, (2) the continuance of our program for world recovery, and (3) the strengthening of freedom-loving nations against the dangers of aggression. Then the President added a fourth point, and I quote his words:

. . . we must embark on a bold new program for making the benefits of our scientific advances and our industrial progress available for the improvement and growth of underdeveloped areas.

. . . we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. And, in cooperation with other nations, we should foster capital investment in areas needing development.

Our aim should be to help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens.

The purpose of the President's program is to assist underdeveloped countries to utilize more efficiently their human and material resources so that they may play a more effective role in an expanding world economy and so that they may provide more adequately for their peoples' needs.

¹ Made before the Senate Banking and Currency Committee on Aug. 9, 1949, and released to the press on the same date.

It is appropriate, therefore, that the legislation before your Committee be considered as a part of that larger program.

In large and important areas of the world, poverty and the frustration of hopes for economic betterment are large contributors to instability, political tensions, and violence. Democracy and freedom as we know them cannot grow where widespread disease, illiteracy, and unrest prevail. If democracy is to be a vitalizing force, its economic basis must be secure. Nor can our hopes for an expanding world economy be realized if two-thirds of the world's population are unable to make adequate use of their resources for lack of knowledge and the means to develop them efficiently.

If we can help to accelerate development in underdeveloped areas, political democracy will be strengthened by giving the peoples of those areas hope in a better future; the United Nations and its specialized agencies will be strengthened by participation in continuing positive constructive action for economic development; political tensions can be relieved by demonstrating that development can take place peacefully and with increased personal freedom as the energies of millions of people are devoted to greater production, greater exchange, and greater consumption; our own national security will be strengthened by associating stronger nations with us in the cause of human freedom; a better balance in the world economy can be achieved by expanding production and exchange in areas that have advanced too slowly on this front, not for lack of resources but for lack of skills in organizing and developing existing resources; and expanding international trade and increasing markets will contribute to domestic economic stability. Without a positive and effective plan for accelerating the pace of economic development, large areas of the world that are allied with us in the cause of human freedom may be led by the pressures of poverty, social unrest, and hopelessness to give up the fight.

Economic development is a process of building

up capital resources and improving techniques of production; capital investment and technical assistance are therefore quite properly the coordinate instruments of the Point 4 program. The legislation before you is directed to that part of the program that is directly concerned with capital investment. However, the technical cooperation phase of the program will itself serve to stimulate private investment abroad by creating a greater awareness of investment opportunities, improving techniques of foreign government administration and fiscal management, increasing the interest of foreign communities in private foreign investment, developing local capital markets, and improving the health, education, and skills of the local population.

While the bulk of the effort, the planning, the organizing, and the financing of economic development must come from the underdeveloped countries themselves, foreign capital is an essential element. Underdeveloped countries can look to the International Bank and, in appropriate cases, to the Export-Import Bank for loans to help finance basic development projects for which private financing is not available. Both institutions are expected to continue and to expand their activities in financing undertakings of this character. With assistance from these institutions, underdeveloped countries can expand basic facilities such as power, transportation, and communications and thereby open new areas to development by private capital. It is also hoped that the International Bank and the Export-Import Bank will find increasing opportunities to enter into partnership with private capital in financing projects contributing to economic development abroad.

The Point 4 program puts particular emphasis upon the flow of private investment because United States private capital is potentially the major external source of investment capital for development abroad and because it can contribute not only funds but also the technical skills, managerial experience, and organizational talents that are essential to put capital to effective use. The greater part of our industrial technology has been developed by private organizations. It can be put to work in the development process only through private channels, especially in the form of direct investment where the owner of the technology has the incentive, as well as the skill, to make optimum use of it.

While the outflow of United States private capital has been substantial in the postwar years, it has been low in relation both to its potential volume and to the need for development capital abroad. This is due in part to abnormal conditions. The most significant difficulties appear to be unstable political conditions, balance-of-payments problems leading to limitations on the ability to transfer earnings and capital, and various

governmental restrictions imposed on foreign enterprise.

The resumption of large-scale international investment requires a composite of measures to be undertaken cooperatively by capital-importing and capital-exporting countries to reduce present obstacles. The United States is exerting its full influence toward the establishment of more stabilized political conditions and more satisfactory economic relationships throughout the world through participation in the United Nations and its specialized agencies, through the European Recovery Program, and through Reciprocal Trade Agreements and other cooperative measures with individual foreign countries. These efforts to create a sense of security, to secure an expanding and balanced pattern of world trade, and to alleviate economic dislocations arising from the war will, as they bear fruit, help reduce deterrents to the flow of investment capital.

The Department of State recognizes that in a program for the reduction of obstacles to investment abroad it is particularly important to make every effort to improve the climate for private foreign investment. We are constantly working on this problem, particularly through the negotiation of bilateral treaties with foreign governments.

These treaties are designed to assure the potential investor that his property will not be expropriated without prompt, adequate, and effective compensation, that he will be given reasonable opportunity to remit earnings and withdraw his capital, that he will have reasonable freedom to operate, manage, and control his enterprise, and that he will enjoy security in the protection of his person and his property and nondiscriminatory treatment in the conduct of his business affairs. At the same time, foreign countries are entitled to expect that private investments will make a genuine contribution to their national welfare. As stated by the President in his inaugural address—

... Guarantees to the investor must be balanced by guarantees in the interest of the people whose resources and whose labor go into these developments.

The old imperialism—exploitation for foreign profit—has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair dealing.

The private investor has an obligation to give due regard to the welfare of the persons dependent upon his enterprise, to contribute his fair share of taxes to the local community, to conserve as well as develop local resources, to observe local laws and refrain from interference in the political life of the community, and so to conduct his enterprise that the local economy will derive benefit from his activity.

However, abnormal deterrents to private investment abroad cannot be removed by investment treaties alone. In the present and prospective world economic and political situation certain

risks peculiar to investment may for some time remain excessive from the point of view of United States investors. For example, although a treaty may assure no discrimination against United States investors seeking to remit profits, it cannot assure that sufficient dollars for that purpose will actually be available. Similarly, although there may be a completely faithful intention to refrain from expropriation, or in the event that expropriation becomes unavoidable in the public interest, to pay promptly for expropriated property, dollars, may, nevertheless, not be available to permit prompt and adequate payment. Nor can treaties provide assurances against the possibility of confiscation or destruction in the event of internal disturbance or war. Consequently, elimination, or at least a significant reduction of the burden of these risks upon prospective private investors should stimulate a substantial additional flow of private investment funds abroad. This is the purpose which would be served by the extension of guarantees by the United States Government against risks peculiar to investment in foreign countries.

It is important that we recognize clearly what the proposed legislation is intended to do and what it is not intended to do. The proposed legislation does not guarantee any investor a profit, or protect him against ordinary business risks to which investors everywhere are subject. Guarantees would be limited to risks peculiar to foreign investment, and the investor would have to assume the others. It is not the purpose of the proposed legislation simply to provide an outlet for surplus capital. It is intended to stimulate a flow of productive capital that contributes to economic development abroad. The legislation is specific on this point, and in the administration of the guaranty program, full consideration would be given to the contribution that the investment can be expected to make to economic development. The proposed legislation is not an effort to force particular private enterprises on reluctant countries. Guarantees would be issued only to investments which are acceptable to the government of the recipient country. The proposed legislation is not a program to achieve economic dominion over foreign countries. In accordance with the general spirit of the Point 4 program, it seeks to promote a marriage of economic enterprise with economic opportunities to the mutual advantage of the private investor and the country in which the investment is made.

I urge your Committee to approve the proposed legislation, for I believe it will contribute substantially to the effective handling of our foreign relations, will serve the national interest, and will bring real benefits to the peoples of underdeveloped areas.

Burmese Minister Visits U.S.

U. E. Maung, Foreign Minister of the Union of Burma, will arrive in Washington, August 13, for an official visit. The Minister, who holds combined portfolios of Foreign Affairs and Health, will spend a week here conferring with American officials.

President Elpidio Quirino of the Philippines Visits U.S.

Welcoming Remarks by President Truman

[Released to the press by the White House August 8]

It is a great pleasure to welcome you to the United States as a guest of the people of this country. I recall that, as Vice President, you were our guest in May 1947 and that the late Manuel Roxas visited the United States as President-elect in May 1946. The present occasion is significant, for it is the first time a President of the Republic of the Philippines has visited the United States. For that reason, we wish to make our welcome doubly warm to the representative of our young sister nation.

There is, happily, a long history of friendship between the Philippines and the United States. In the past fifty years, our two peoples have together written a memorable chapter in world history. It is a record of peaceful pursuits of our own choosing, and of two world wars, not of our choosing, in which we fought side by side and shared defeat and victory.

In the words of the late Franklin Delano Roosevelt:

The United States and the Philippines have learned the principles of honest cooperation, of mutual respect in peace and in war. For those principles we have fought—and by those principles we shall live.

In these recent troubled years, the people of the United States and of the Philippines have been steadfast in their adherence to the principles upon which their countries were founded and upon which world peace must be built. Both nations are dedicated to securing justice and liberty and to promoting the general welfare of their own citizens. As members of the United Nations, they are dedicated to securing the same blessings for all peoples everywhere.

There is a new struggle in the world today, a struggle of ideas, a struggle that ignores national boundaries and even national loyalties. Doubts are being cast upon the validity and sincerity of the beliefs by which we live. Again our two peoples will be found on the same side in the struggle, which they must accept as a challenge rather than a threat. With pride in our common traditions,

strength in our beliefs and faith in our future, we dedicate ourselves anew to the cause of all free men.

I hope that you will enjoy your visit among us and that you will take back to the Filipino people the warm regards of the people of the United States.

*Statement on Joint Discussions
of Philippine Economy*

[Released to the press by the White House August 11]

The President of the Republic of the Philippines and the President of the United States have met in Washington and have discussed at length problems of common interest to the two nations. The spirit of these conversations has reflected the historic and unique relationship between the two countries. As in the past it was the aim of the United States that the Philippines should assume its rightful position as a free and self-reliant member of the world community, so today the United States looks forward to the preservation and strengthening of the position the Philippine Republic has achieved in order that it may make its full contribution to that community.

It is recognized that the capacity of the Philippine Republic to live up to the high hopes which events of the past three years have kindled must depend in part upon its economic situation. The two Presidents have discussed measures for the reinforcement and development of Philippine economy in terms of the recommendations of the report of the Joint Philippine-American Finance Commission issued in 1947, being convinced that the economic progress of the Philippines will be not only in the immediate interests of the two countries but will contribute vitally to the determination of free peoples to resist those forces which seek their enslavement so long as that menace shall threaten. The two Presidents are agreed that this resistance will be most effective in areas where the material well-being of the people allows a full appreciation of the meaning of freedom, and that conversely it is among peoples who have abandoned hope of individual betterment that the least resistance will be offered to those perverted forces which would destroy the ideals to which the two nations are dedicated.

The President of the Philippines has expressed the determination of his country to pursue with vigor the courses of action which offer the greatest promise; the President of the United States has reiterated the desire and intention of the United States to render all feasible assistance. The United States will continue to watch sympathet-

ically the efforts of the peoples of Asia to forge stronger ties of economic cooperation and collaboration, to hasten the progress of self-government, and to preserve their freedom.

Thailand Requests U.S. Mineral-Resources Survey

[Released to the press August 9]

The Department of State announced on August 9 that, in response to a request by the Government of Thailand, a mission composed of three American economic geologists will be recruited by the Department of the Interior to assist in a survey of Thailand's mineral resources. The assistance being extended to the Government of Thailand in this project further instances the desire of the United States Government to contribute to a solution of Thailand's problems of economic rehabilitation and development.

Since the end of the war in the Pacific, the trade relations between the United States and Thailand have been more extensive than at any time in the past. The United States has on various occasions lent technical assistance to Thailand for the common benefit of the two countries. For example, in 1947, 30 Thai engineers were given special training in the field of irrigation by the Bureau of Reclamation and Irrigation with a view to the expansion of Thailand's rice crop, which is important not only to the Thai economy but to the peoples of rice-deficit areas of the Far East who depend upon large exports of rice from Thailand.

The mission now being recruited is expected to arrive in Bangkok in September and to complete its task by next April. Working in conjunction with Thai geologists, the mission will survey the districts where the principal mineral deposits are located. Thailand's uncharted mineral resources are believed to be considerable, and it is expected that as a result of this survey Thailand will be able to expand the volume and variety of its mineral exports to the United States and other countries. With the proceeds of these exports, Thailand should also be able to enlarge its imports of capital and consumer goods required for the development of its economy, upon which a rise in the standard of living of the Thai people depends.

The dispatch of this mission is not a part of the contemplated Point 4 Program. It is being effected under authority of existing legislation and will be financed out of the Department of State's 1949-50 appropriation. Expenses of the mission in local currency will be borne by the Government of Thailand.

Letters of Credence

Paraguay

The recently appointed Ambassador of Paraguay, Señor Dr. Don Luis Oscar Boettner, presented his credentials to the President on August 5, 1949. For text of the Ambassador's remarks and the President's reply, see Department of State press release 603 of August 5.

Earthquake Disaster in Ecuador

Statement by Secretary Acheson

[Released to the press August 12]

Our whole country has been shocked by the disaster which struck our sister Republic of Ecuador last Friday, August 5.

The American Red Cross and the appropriate agencies of this government took steps immediately to render assistance through the Ecuadorian Red Cross. United States Air Force planes from the Canal Zone arrived in Quito early Sunday morning [August 7] with the first medical supplies and emergency communications equipment, and with a disaster survey team composed of Army and United States Red Cross officials. Several other planes have since transported additional supplies and tents for temporary shelter of the victims.

As soon as possible after the receipt of the news of the disaster, a relief party left Quito for the affected area under the direction of the cooperative United States-Ecuadorian Health and Sanitation Mission. United States personnel of this mission are provided by the Institute of Inter-American Affairs. President Galo Plaza, who personally conducted relief work in the half-destroyed city of Ambato, has charged the IIAA Health Mission with the supervision of all health and sanitation activities arising out of the disaster.

All requests from the Ecuadorian Government for relief supplies from the United States will continue to be referred to the Disaster Service of the American Red Cross. Maurice Reddy, Assistant Director of National Disaster Relief Service, and Edward Russel, Director of Operations at the Canal Zone, two of the most experienced disaster relief experts of the American Red Cross are now in Ecuador. To date the Red Cross has been able to meet all requests for emergency supplies.

Several of the other American Republics have

generously rallied to the relief of Ecuador, sending in by plane medical supplies, doctors, and nurses.

We are pleased to learn of the spontaneous action of various groups of private citizens in all parts of this country who have interested themselves in sending aid to Ecuador. It is to be hoped that this generous impulse will result in an organized and productive effort for raising funds which can be applied in the most effective manner for the alleviation of suffering.

Joint U.S.-Uruguayan Statement on Economic and Political Relations

[Released to the press August 3]

Officials of the Government of the Republic of Uruguay and of the Government of the United States have been seriously concerned with respect to the situation that recently arose in connection with procurement negotiations of the United States Government in which Uruguayan products were offered for possible purchase. This concern was accentuated by the fact that the Ambassador of Uruguay, Dr. Alberto Domínguez Cámpora, had been actively conducting important exchanges of ideas with the Department of State with a view to a greater development of the relations between Uruguay and the United States, in the economic field as well as in other aspects of their reciprocal relations.

Following out the close collaboration between the Embassy of Uruguay and the Department of State in all matters of mutual interest, officials of the two governments have completed a detailed examination of the circumstances from which the recent situation arose, and they have concluded that the differences originated from unfortunate circumstances which were completely inadvertent and in no respect due to any variation in the very cordial relations, economic and commercial as well as political and cultural, which have traditionally existed between Uruguay and the United States, disproving therefore any unfriendly motive whatever. In substantiation, these officials are determined to exert every effort to devise practical and positive measures for the intensification of their mutual relations, availing themselves of every possibility for close collaboration and co-operation.

Both governments are pleased to attest that the friendship between the two countries has been, is, and unquestionably will be of such a nature that it has permitted the conversion of an unfortunate misunderstanding into an opportunity for mutual agreement toward the intensification of efforts for the benefit and prosperity of their two peoples.

Discussions With Cuba on Tax Treaty

[Released to the press July 29]

Discussions between American and Cuban technical experts looking to the conclusion of treaties for the avoidance of double taxation and for administrative cooperation in prevention of tax evasion with respect to income taxes and to taxes on estates of deceased persons are expected to be opened at an early date.

If the discussions are successful and a basis for agreement is found, they will result in the preparation of draft treaties which will be submitted by the negotiators to their respective governments for consideration with a view to signing.

In preparation for the discussion, the American delegation will welcome conferences with interested parties, or statements and suggestions from them, concerning problems in tax relations with Cuba. Communications in this connection should be addressed to Eldon P. King, Special Deputy Commissioner of Internal Revenue, Bureau of Internal Revenue, Washington 25, D. C.

Air Transport Agreement With Dominican Republic

On August 9, 1949, the Department of State released the text of the air transport agreement with the Dominican Republic. For text of the agreement, consult Department of State press release 615 of August 9. For a brief description of the type of this agreement, see BULLETIN of August 1, 1949, p. 153.

Correction on Foreign Visitors in Germany

In the article entitled "Foreign Visitors in Germany to Use Deutsche Marks," printed in the BULLETIN of June 26, 1949, page 807, it was stated in the first paragraph that the three Western zones of Germany were opened to foreign businessmen, tourists, and other visitors on June 21. This information should be corrected since only the British and American zones were opened on that date; however on the seventh of July the French relaxed their regulations for entry into the French zone.

On page 808, the next to the last paragraph, line three should read "maximum of 60 days subject to extensions through."

Agreement With France on Military Obligations

The text of the agreement between the United States and France relating to the military obligations of certain persons having dual nationality, effected by an exchange of notes at Paris on December 22, 1948, is now available to the public in printed form as Treaties and Other International Acts Series 1876. Copies may be obtained from the Superintendent of Documents, United States Government Printing Office, Washington 25, D.C., at the cost of 5 cents each.

Under the provisions of the agreement persons who possess the nationality of both the United States and France and who have fulfilled their military obligations during the wars of 1914-1918 and 1939-1945 to either of the two countries will, on certain conditions, be considered as having fulfilled the same obligations to the other country. Persons to whom the agreement is applicable are given a period of 2 years from the date of entry into force of the agreement (December 22, 1948) to clarify their status in this respect.

THE DEPARTMENT

Office of Special Assistant for Aid to Greece and Turkey Abolished

The Department of State has abolished the Office of Special Assistant for Aid to Greece and Turkey effective August 3, 1949. The functions performed by that office, together with personnel, funds, and records, are transferred to the Division of Greek, Turkish, and Iranian Affairs, Office of Near Eastern and African Affairs.

Consultants on Far Eastern Problems Named

The Secretary of State, announced on July 30 the appointment of Raymond Bland Fosdick, former president of the Rockefeller Foundation, and Everett Case, president of Colgate University, to act as consultants to the Department of State. They will work with Ambassador at Large Philip C. Jessup, Walton W. Butterworth, and other officers of the Department in an objective appraisal of Far Eastern problems in general with a view to making recommendations to the Secretary of State for the formulation and implementation of policy concerning those areas.

Appointment of Officers

Paul H. Nitze as Deputy Director of the Policy Planning Staff in the Office of the Secretary, effective August 8, 1949.

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